Contemporary Debates in Public Administration

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Introduction

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Public administration as a pertinent area of social sciences is in search of a renewed identity in the form of theoretical bases, conceptual clarity and contextual applicability. The intellectual crisis in public administration that was trumpeted more than three decades ago reverberates till date. It is not as if the growth of the discipline has not encompassed any innovative and enriching development concepts, approaches and viewpoints, the problem pertains to their fleeting influences and half-baked solutions in context of the basic issues in administration. The new paradigms in public administration do not look at the discipline from a fresh perspective but merely rehash the old concepts. There is a marked continuity in the administrative approaches with the past. Each new development in the discipline, even while critiquing an old concept, simply builds on the same. Incrementalism is what appears to be at the very basis of the growth of the discipline.

Contemporary concepts of New Public Management, reinventing government and entrepreneurial government emphasize the internal organization, while reassessing some of the classical scientific principles. In fact, this is why these have been called 'New-Taylorism'. They once again bring the politics-administration dichotomy to the forefront. Even though the NPM stresses decentralization, devolution and deconcentration, it actually perpetuates centralization and control through the strategies it advocates. The development of the discipline is, thus, characterized by failed, semi-developed and recycled narratives, which are not able to provide any epistemological parameters for meeting the growing challenges and impact of globalization.

PARTIAL NARRATIVES IN PUBLIC ADMINISTRATION

The crucial phases in the growth of public administration have been termed as 'partial narratives of public administration' (White and

Adams, 1994). Prominent among these are the *dichotomy between politics and administration*, the tone of which was set by Woodrow Wilson in 1887, and was reiterated by scholars like Frank Goodnow. The dichotomy, which is more imaginary than real treats public administration and politics as two distinct spheres. Public administration is simply regarded as bureaucracy, heedless to the fact that bureaucracy as a particular organizational form is not only found in the government, but also in private and third-sector organizations. Public administration comprises legislature as well as judiciary but somehow the implementation or executive aspect of administration has been overemphasized in this perspective.

Scientific study and practice of public administration, which cannot alone explain the magnitude of public administration, could also be considered a partial narrative. The advocacy of a science of administration is again attributed to Woodrow Wilson. The changes in public administration can be best perceived as changes in public organizations as propounded by the classical thinkers who have talked in terms of scientific principles in intra-organizational functioning. These classical approaches to public administration have drawn a lot of flak from the human relations, behavioural and socio-psychological theorists.

Herbert Simon created a clamorous stir by denouncing the scientific principles of administration as mere proverbs for their lack of empirical validity. Simon has brought the perspective of logical positivism into the folds of administration and put decision-making at its very heart. He has conceived relative concepts of bounded rationality and satisficing decisions. Later thinkers in this field have come up with the muddling through, mixed scanning and garbage can approaches to decision-making. There have even been approaches bordering on irrationality.

The partial narrative of the *value-fact dichotomy* reduces public administration to an applied area rather than a normative theoretical paradigm. In agreement with the politics-administration dichotomy, this approach has been condemned by scholars such as Robert Dahl who have called for the inclusion of normative considerations in public administration. There has been a resurgence of values in post-behavioural era in political science. It is, however, the emergence of the philosophy of neo-liberalism that has provided a powerful base for siting of public administration in public interest philosophy of John Rawls and Robert Nozick. The theorists in public administration, as has been observed, have defined administrative competence and values in terms of economic efficiency coupled with managerial control and have regarded public bureaucracy itself as captured by special interests. But generally they have tended to ignore 'public interest' and its constituents as concepts relevant to administrative behaviour (Wamsley, *et al.* 1992). In his attack of the classical theorists, Dwight

Waldo (1980) has demonstrated that efficiency and economy cannot be treated as values in operational sense because they do not provide sufficient direction for public administrative actions to be useful in practice.

Another partial narrative in public administration relates to the accent on the *theory-informs-practice* viewpoint, as in administration, scientific theory is clearly not the language of practice. Theory building in public administration has often been found to be unrelated to practice. It has been written in a language that serves as a code of communication for academicians (White and Adams, *op. cit.*). A weaving of field-oriented efforts, community based resourcefulness, rural and micro-level research; and local narratives seem to have been missing in order to provide a theoretical foundation with a wider applicability.

Woodrow Wilson's leaning towards *private or business administration* and his early initiative in the direction of *comparative study of administration* are also narratives that could not make sufficient impact. He stated that administration is business-like and does not involve itself in questions of politics. As far as comparative public administration approach of Wilson goes, he recognized that lessons from other countries would have to be filtered through a cultural lens of the person seeking to learn from lessons and borrowing the techniques (Bhattacharya, 2001).

The comparative administration perspective in the post-Wilsonian phase, however, has not been a widely researched area of public administration. Apart from the methodological trajectories ascribed mainly to Ferrel Heady and Fred Riggs, who have taken the perspective that bureaucracies are subsystems within the political, economic and social context of a particular nation, not much literature is available on comparative public administration (Welch and Wong, 1998). This approach received a jolt when Comparative Administration Group was wound up in 1973, putting an end to a systematic quest for theory and its application.

Even though Fred Riggs has given a new typology to the *study of development administration* in the Third World by undertaking a comparative analysis of developing countries, this is another approach that could not be built upon. The development administration model has been criticized as ideological and eurocentric. Later theories such as the dependency theory of development coined by Gunder Frank have looked at bureaucratic behaviour in class terms; whereas the traditional development administration has treated bureaucracy as an outcome of organizational structure and hence manipulable. Bill Warren has ascribed the obstacles in capitalist development to internal contradictions in the Third World. The developing countries, however, have not been able to develop a paradigm of development administration that could address their very own specific issues.

The first Minnowbrook Conference that set an agenda for *New Public Administration* (NPA) in 1968 is also termed as an impoverished narrative, though it has attempted to experiment with modified bureaucratic organizational forms in its search for change-able structures, relevance, values, equity and change in public administration. Decentralization, devolution, termination, projects, contracts, evaluation, organizational development, responsibility, expansion, confrontation; and direct involvement are all essentially counter bureaucratic notions that characterize NPA. It has once again tried to bring political science and public administration together (Bhattacharya, 1999). It has included an emphasis on rejecting the value-neutral position of administration, encouraging citizens' partici-pation in policy-making, making the study of public administration more relevant to practitioners and citizens, and to some extent, putting aside positivism.

The second Minnowbrook Conference held in 1988 agreed that problems facing public administrators are interconnected and called for an interdisciplinary perspective. It has exuded pragmatism and confirmed the inevitability of government as a tool of strengthening society. Yet, it has been more a cerebral than a radical exercise that failed to initiate a paradigm switch (*ibid.*). Reexamination of public adminis-tration themes and images using the concept of *gender as a narrative* is still emerging. Issues such as environment, human rights, ethical values; and social equity and justice have also been included in the reexamination exercise, but these are still at a nascent stage.

Dwight Waldo has pointed out that as an acceptable model of governance, orthodoxy is dead. His comment could be taken as the dividing line between traditional classical approaches and the advent of human relations, socio-psychological and system models. Orthodoxy was an enduring prescription of neutral public administration ascribed to Wilson, Taylor and Weber. Now, the strict chain of command-hierarchy has been challenged by developments in Total Quality Management movement, reinventing government and participatory decision-making. In the field of public administration, two alternative models contend to displace the old approaches: constitutionalism or neo-institutionalism and communitarianism or civicism (Fox and Miller, 1995).

MAJOR DEVELOPMENTS IN THE THEORY AND PRACTICE OF THE DISCIPLINE

Jostling for a space in the deluge of underdeveloped narratives, there are certain predominant paradigms in public administration, which have consolidated its theory and practice. The approaches of communication, motivation and leadership have added extensively to the literature in public administration. The systems and new systems

perspectives have shifted the attention to the analysis of the impact of environment on organizations. For rebuilding rigorous modes of inquiry amidst the ruins of post-positivism, the systems theory is an available source of infrastructure. It has facilitated the contingency and situational view of organizations, which marks a departure from the traditional 'one best way of doing a job' approach. The basis for a new paradigm of applied social inquiry is an advanced systems perspective. This approach has highlighted many advantages such as removing disciplinary blinders, recognizing the limits of logical positivism, reconciling the role of individual choice and institutional freedom, appreciating an evolutionary character of systems; and encouraging the maintenance of rigorous methodologies (Daneke, 1994).

New findings in the area of comparative administration are noteworthy. B. Guy Peters (1992) has observed that to think about comparative public administration as somehow distinct from public administration in general, is to be trapped in the 'stamps, flags and coins' school of comparative public administration. Comparisons need not simply be across geographical entities, it is equally useful to make comparisons across time. He has stressed the need for a contingency approach to organization that has unfortunately been ignored by academic analysts of public administration. The contingency approach has attempted to match the characteristics of the environment of the organization and the mode of production within the organization to the most appropriate structures. The theory has argued that organizations performing different functions and operating in different environments should be designed differently.

The public policy approach has also been a major breakthrough in the growth of public administration. It is concerned with govern-ment behaviour with regard to formulation and implementation of policies. The policy science perspective has given the much needed methodology and scientific tenor to policy-making and analysis. According to Yehezkel Dror, policy science could be partly described as the discipline in search for knowledge on nature of policy, policy issues and policy-making. He has insisted on extra-rational infor-mation to enrich policy analysis. The institutional, group, elite, rational, game and incremental models have consolidated the area of public policy perspective. Policy studies have been the meeting point for experts in political science and public administration.

The most significant organization paradigm has, however, been Weber's bureaucracy. The post-Weberian analyses of bureaucracy have either been endorsements of Weber or simply refutations of his legal rational typology. The Marxist and relative autonomy approaches to the state have come up with strong critiques of Weberian bureaucracy. Claus Offe has discussed bureaucracy as causing of effects rather than following of rules. Dennis F. Thompson has stated that the values of

democracy, equality, participation and individuality stand opposed to hierarchy, specialization and impersonality of modern bureaucracy. Habermas has talked of debureaucratization and democratization of administration through free flow of communication. Warren Bennis has even gone to the extent of predicting the eclipse of bureaucracy in favour of temporary work systems.

The public choice approach has been a major influence on the way the public bureaucracy is analyzed. The approach has been able to explode the myth of neutral and rational bureaucracy. The bureaucrats have been regarded as utility maximizers and budget maximizers, always exercising a rational choice while choosing among preferences. However, the approach has, in the process, reinforced the stereotypes of public bureaucracy by giving it an acquisitive and expansive disposition. It has seriously underestimated the capacity of the legislature to develop means of independent judgement as well as the role of social norms and participatory human behaviour in organizations. The role of bureaucracy in policy-making and the dynamics of budget process are too complex and subtle to be represented adequately by the rather simplistic public choice analysis (Peters, 1989). Notwithstanding the hoard of criticism, the supposedly abstract and non-altruistic concept of public choice has at least been able to attack the very basis of government and look for alternative paradigms of bureaucracy. It has revealed that public interest is always at odds with bureaucratic interest.

The contemporary paradigm of public administration, as we have seen, is New Public Management (NPM), which is essentially a bureaucracy taming model. It is a normative reconceptualization of public administration in which concepts such as high quality services, increased autonomy, performance measurement, informal coordination and innovation bring a totally new blending of approaches to public management. It is a very vast concept, based on a number of schools of thought and theoretical perspectives—public choice, strategic planning, re-engineering, corporate culture, and quality of service. The promoters of the NPM have strived to redefine the role of the state and reduce its size, eliminate the deficit, balance public expenditure, clear away red tape, remove obstacles to effective management and focus the attention of public administration on client satisfaction (Charih and Rouillard, 1997).

WHAT AILS THE PARADIGMATIC GROWTH OF PUBLIC ADMINISTRATION?

The poly-paradigmatic status of public administration has somehow not been able to come up with the much needed situation-specific theory of public administration for the Third World. Peter Self (1985) rightly points out that there is an inherent idealistic and realistic perspective underlying all theories of government, be it public choice, pluralist, corporatist or bureaucratic. The pluralist democracy model that assumes the presence of multiple, diverse and competing interest groups in governance, the corporatist model that talks of the need for systematic social order and new communitarian approach that seeks to restore the ailing institutions by changing people's values, attitudes and behaviour are three major approaches, which have come to influence public administration in the face of state minimalism and the rise of third sector and market that are being projected as viable alternatives.

Organizational reforms in the past have been studied within the framework of traditional administration, now these look toward NPM, reengineering, reinventing and reconstructing the public sector. These new approaches are essentially revisiting the management paradigm that the theorists and practitioners in public administration have been trying hard to discard. Instead of leaning towards politics, public administration is borrowing more from management science. The market vision and managerialism in the guise of NPM and corporate governance have been the most popular alternative viewpoints on the state and government. These tend to consider public sector agencies as facing the same managerial and service delivery tasks as organizations would in the private sector.

The shifting perspectives in public administration are the result of its attempts to adapt to the socio-economic and political pressures. The paradigmatic growth of the discipline has suffered on account of insufficient research in many crucial areas. Much of the research in public administration does not culminate in hypothesis testing, nor does it result in conclusions that would contribute to an existing body of knowledge following the logic of scientific inquiry. Research is more problem-oriented or practice-oriented rather than theory-oriented (White and Adams, op. cit.). Post-positivist philosophers have identified three modes of social research namely explanatory, interpretive and critical (White, 1994). The research in the areas that build, extend or modify a theory, model or hypothesis, areas that discuss or illustrate broad issues, trends or ideas in public administration as well as areas that highlight survey problems or questions of professional practice is wanting on many counts (Daneke, op. cit.).

The basic concerns of public administration still revolve around structure of public organizations, processes of administration, bureaucratic behaviour and organization-environment interaction. The issues related to the relationship between public administration, state, market and non-state groups have not been sufficiently analyzed or applied. Traditional bureaucracy has also demonstrated a capacity for stability, but research in coping ability and adaptability of traditional administration is lacking. It has been pointed out that bureaucracy is one area that needs to be subjected to geographical and temporal

analysis. Any research in bureaucracy should be based on the survey of bureaucratic personnel, attitudes, behaviour, structure and outcomes (Peters, 1992). It must transcend Weber's definition that emphasizes on rules and regulations as important yardsticks. This aspect has also been overlooked by the researchers.

There has been no systematic debate on methodologies and issues in the discipline of public administration. The more serious problem relates to the fact that even though the western theories stand challenged by the Third World scholars, no alternative indigenous theories are being developed (Haragopal, 1997). Whatever is there in the form of conceptual and implementation growth of public administration appears to be borrowed, imitated and applied out of context. The socio-economic, cultural and political milieu of public administration is not a part of research, especially in the Third World countries. As has been observed, the tendency to ignore and downplay history and context is not unique to public administration. This impoverished historical consciousness is found across the professions and academic disciplines and more broadly, is deeply embedded in the culture at large (Adams, 1994).

TOWARDS A NEW PERSPECTIVE

Contemporary public administration cannot sustain itself in a political, economic and social vacuum. Ideally, administrative theory should be well-developed to guide application; converse is equally true. There is a need for a theory that can easily relate its underlying philosophic and social ideas to the ground reality. Theory building must help the discipline to cope with change. In the changing scenario, public administration will have to undertake serious introspective rethinking. The nature of the discipline needs to be redefined and its domain clearly demarcated.

Administrative theory has to be a vital part of the state theory. The changing complexion of administration has to be contemplated in the context of the changing nature of state. The Marxist analysis of state theory should receive its due attention from public administration researchers. Though the Marxists have regarded the state as a stooge of capitalist order, the neo-Marxists have looked at it from a relative autonomy point of view. The neo-Marxists like Ralph Miliband, Nicolas Poulantzas, and critical sociologists like Jurgen Habermas and Claus Offe have called for autonomous state action under conditions of capitalism. A systematic analysis of this perspective could provide an insight into state's role in order to counter the state minimalism debate.

The sphere of public governance has some unique distinguishing features like Constitutional framework, Fundamental Rights, legislative surveillance and accountability. There is no institutional base for the generic public management approach to governance. Public administration has at its core more than generic management; it is governance. The contention that public administration has a legitimate role in governance must rest on more than competence to manage in a political context (Bhattacharya, 1999).

This makes the political economy approach to administration, which discusses the relationship between political and economic power in society even more pertinent as both the economic and political dimensions to decision-making and resource allocation are analyzed and government performance gets intertwined with structural relationships. The plus point of economic theory of politics is that it has been able to inject more realism into the debate on state's economic role as the normative concern of markets has shifted from market failures to government failures (*ibid.*). Public administration is not a 'single lonely organization' in governance (Peters, 1989). Our social and political theories still assume that there are no power centres except government. As Peter Self (*op. cit.*) has observed, 'behind questions of methodology, there lurks still the classical question of the relationship between the individual and collectivity'.

Critical theory is another relevant perspective to the analysis of public organizations, as it defines the role of theory as a contradiction-revealing tool. The purpose of critical theory is to reveal the tension that exists in society, between natural human sharing and the limitations imposed on a human being by social conditions. The critical approach to public organizations needs to be put to use in order to look at organizations from a new perspective. The critical theory seems to suggest an alternative style of public management that would strive not merely for control, but rather for assisting individuals and clients in finding out and pursuing their own intrinsic developmental needs as well as values, even though it may run counter to dominant bureaucratic values of rule bound control and rationality (Bhattacharya, 1997). The concepts of forward mapping and backward mapping are of immense significance for implementation research, which should receive due attention.

The arguments of several post-modern theorists pose a threat to all forms of knowledge development and use. If public administration can be thought of as a subculture within a larger society, it must examine its own post-modern condition. Theoretical pluralism in public administration need not be looked down upon. To search for one grand overarching theory goes against the post-modernist rejection of grand narratives. Problem is with the way modernity is conceived, generally within the categories of industrial and developed society, which distorts all attempts at a 'social mapping', especially in the developing countries (Kumar, 1995). This contention needs serious reflection and analysis.

Authentic discourse, as has been put forth by many scholars, is

the best hope for a democratic theory of governance that takes into account post-modern conditions. Discourse theory is an accurate model as it describes events that can be observed and normative in the sense that it provides criteria for assessing authentic discourse. Discourse theory is a way to highlight the importance of the quality of policy deliberation. Against this backdrop, an innovative and contextual paradigm is needed that could provide a framework for present day public administration.

CONTEMPORARY CHALLENGES FACING PUBLIC ADMINISTRATION

Public Administration, in the present scenario, is reeling under complex challenges and pressures in the face of the changing trends in liberalization, privatization and globalization. Globalization is best thought of as a multi-dimensional phenomenon involving domains of activity and interaction that include the economic, political, techno-logical, military, legal, cultural and environmental (Held, 2000). Global capitalism has led to the generation of super-state governing agencies that are supplementing if not supplanting the territorial states. Due to globalization, on the one band, public administration seems to be moving more towards protection of citizens' rights, accountability, ethical values, research and training. On the other hand, globalization is also leading to shrinking of public space, violation of human rights and commodification of citizens (Farazmand, 1999).

The globalization debate has mooted volatile issues on the boundaries of the state, market and civil society. Emphasis has shifted to good governance, humane governance and corporate governance as the framework of administrative analysis. The concepts of work, anthority and organization are changing. The accent on participation, transparency, responsiveness, efficiency, ethical behaviour and decentralization is urging the scholars to revamp administrative structures and processes to meet new challenges. The ground reality depicts that the state cannot and should not recede from the vital areas in order to hold on to the objectives of social justice, equity and citizens' rights. In fact, in the changing context, it must assume a multi-functional role.

Developments such as privatization, delegation and divestment are forging new partnerships between state, private and non-state sectors. Citizens' charters could bring in necessary choice, standards, values, accountability and transparency. Experience of district planning and Panchayati Raj reveals that necessary political will, lead to political decentralization. Instruments of accountability such as Lokayuktas, Central Vigilance Commission and Right to

Information Act have become the essentials of effective governance. The objective should be to look for alternatives to governance that will provide for goods and services, influence policy-making, protect rights and liberties and at the same time work in collaboration with the state and the market.

The influx of information technology (IT) is bringing the world closer. With the growth in the IT sector, spotlight on e-governance and rise of technostructures, there has heen an emergence of knowledge society. Organization has become a social technology. Knowledge society would therefore need the social sector and the social sector would need the volunteer. As knowledge workers need a sphere in which they can act as citizens and create a community, knowledge society has to he a society of three sectors, public sector of government, private sector of business and the social sector (Drucker, 1994).

Reiterating L.D. White's observation, Waldo points out "Public administration will have an important role in the future. It joins two major forces, government and administrative technology. Together they have been an integral part of the enterprise of civilization. They will not disappear until and unless, civilization disappears through decay or deconstruction or through transformation into a new human condition." (*quoted in* Rosenbloom and Kravchuk, 2000). Public administration has to prepare itself to face the new challenges of globalization and the pressures of Bretton Woods Institutions. It must attempt to transform itself into a humanistic and egalitarian administration.

The discipline of public administration must reinvent itself in the wake of new researches in the area, specific socio-cultural applied field work, and national and international pressures. It must attune itself to the changing face of information technology, ecology and environment, administrative capability, gender sensitivity and participatory development. It must also address contemporary issues of theory building, nature of state, reconstruction of public sector, NPM, good governance, corporate governance, and humane gover-nance. The role of values and ethics in governance, organizational reforms, responsive administration, decentralization, participatory resource management, creation of alternative institutions of governance such as the civil society organizations also need to be looked into. This book makes an attempt to grapple with some of these pertinent areas. The objective is to highlight more than one perspective on each contemporary theme in order to generate a debate. Given the wide range of current issues, the book confines itself to the more relevant themes against the backdrop of globalization and its impact on administration.

The Summary of the Chapters is as follows:

The book is divided into 27 Chapters, including this chapter on *Introduction*. Chapter 2, *Understanding Administrative Theory: A Perspective* sets the ball rolling, as it curtain raises the evolution of administrative theory down the ages. Pardeep Sahni in this chapter makes an in-depth analysis of the growth of public administrative theory by dividing the evolution of theory into pre-foundation, foundatioo and post-foundation eras. Tracing the administrative theory from the Wilsonian era to the present New Public Management pbase, be makes an attempt to bring out all the major approaches to administration namely scientific, bureaucratic, human relations, behavioural, systems and New Public Administration. He makes an earnest plea to replace the 'theory versus practice' perspective that is always levelled against public administration by the 'theory with practice' viewpoint. He reiterates the pertinent fact that all theoretical foundations have their roots in ground reality and empiricism, and to say that practice of administration does not emanate from the theoretical basis is erroneous and should be therefore avoided.

In Chapter 3 on *Public Policy Discourse: The Inter-subjective and Symbolic Dimensions of Administration,* Kenneth N. Hansen discusses the much-neglected phenomenological dimension of public administrative theory. He throws light on the central postulates of discourse theory, which relate to 'symbolism', 'metaphor' and 'consensus'. Phenomenology, according to him, could be used to establish and evaluate permanent patterns of public discourse. How can the 'symbolism; and 'metaphor' of politics be reconciled with the objectivity and quantification of performance in public administrative agencies is the central question raised by him. He discusses the Habermasean notion of discourse as a form of communication that includes validity and an ethic based on values that can be logically criticized and reconstructed depending upon the actions, intentions and experiences of the participants. He also bighlights the fact that the public institutions exhibit only nascent tendencies towards authentic discourse for addressing post-modern dilemmas. Three empirical referents namely 'inclusion', 'self-regulation' and 'policy output' to address the inter-subjectivity of discourse have been discussed by him.

Chapter 4 is on *Understanding the Dimensions of Uncertainty in Public Administration* where Jeffery A. Weber argues that given the complexity and tbe cbaos of the current public administration environment, tbe development of techniques and methods of coping with uncertainty would enhance administrative system's ability to adapt to different situations. He makes a case for indispensability of the concept of 'uncertainty' to public administration, and observes that pertinence of uncertainty needs to be analyzed along with other key concepts of 'rationality', 'effectiveness' and 'accountability'. He dis-

cusses the epistemological and metaphysical dimensions of uncertainty as well as the importance of taking recourse to uncertainty in situation of crisis through use of concepts such as satisficing solutions, bounded rationality, chaos theory and bounded uncertainty.

Public choice theory is another significant theory of public administration. In Chapter 5 on *Public Choice Theory: Government in the New Right Perspective,* Mohit Bhattacharya discusses the New Right perspective that has championed the cause of the free market and has called for a significant reduction in the size and role of government in society. He talks about the four main schools of the New Right namely Chicago, Austrian, Public Choice and Supply Side. The major argument that he raises pertains to the fact that the Public Choice School has been able to draw attention to the alternatives available for the delivery of services to the citizens. The role of 'market' as a competing paradigm that has challenged the hegemonic position of the state is discussed by him. He points out that the power of bureaucracy has been challenged and non-bureaucratic, citizen-friendly organizational options have arisen. He, however, adds a word of caution that it is certainly not a state versus market debate; the real issue is to make the state more democratic and citizen-friendly and not to relegate it to the background.

In Chapter 6, which talks about *Consent, Constitutions and Contracts: The Public Choice Perspective on the State,* Saugato Sen highlights the salient features of public choice approach and contrasts it with the public interest approach to public policy and state politics. Describing public choice theory as the application of the methodology of economics to politics, he discusses the public choice approach to the issues of the Constitution, the state, the social contract and its view of politics as exchange. He brings out the strengths and weaknesses of the public choice approach, while pointing out that some of the criticisms of the approach are misplaced.

The debate on public choice has once again shifted the focus of administrative study to the state. In order to understand the changing nature of public administration, it becomes necessary to highlight the changing nature of the state over time. In Chapter 7 on *Some Reflections on the Changing Nature of State,* Anurag Joshi brings out the Liberal, Marxian and Post-modern viewpoints on the state. He discusses the shift from state-centric to society-centric and back to state-centric nature of political theory. From being 'laissez-faire' to 'state-interventionist' to 'rolling back', the state has been a malleable concept. Against this backdrop, he discusses the different trends in state's role and functions in the age of globalization; while also focusing on the new challenges and opportunities for the state. He opines that if the state is not deprived of its regulatory function, it is not such a bad idea if the state substantively withdraws from the non-essential sectors of the economy. Cautioning, however, that the state

can, in no case, forego its role of striving towards economic develop-ment with a human face to realize the goals of equality and social justice.

As public administration is an integral part of the state, a review of the changing nature of public administration logically follows from the analysis of the changing complexion of the state. In Chapter 8 on *Changing Trends in Public Administration: The Globalization Context*, Mohammad Mohabbat Khan highlights the viewpoint that the states are perceived as local authorities of the global system. The coming into prominence of multinational corporations, international and multilateral organizations have considerably reduced the sphere of nation-states in global forums, regional meetings and local level interactions. He discusses the different administrative responses to the challenges of globalization in the form of the NPM initiative, quality service delivery, enhancing ICT use, public-private exchange and interaction; and performance management. His major argument is that these concepts and mechanisms as forms of responses have originated in developed countries and are more suited to their social, political, economic and cultural milieu. He brings out the pertinence of the economic dimension of administration, which continues to be the most critical element in understanding the effects of globalization on public administration. He also draws attention to the fact that political responsibility in critical areas still remains a theoretical issue at the backdrop of public-private exchange and interactions; and therefore needs to be looked into.

The trends in globalization are proving to be strenuous for the public sector all over the world. The demands of citizens have increased, the economic pressures have begun to limit the sources of public authorities, the non-government sector has become assertive, the public opinion has become more vociferous and the global influences have gone up. Against this backdrop, Eran Vigoda in Chapter 9 on *Reconstruction of a Modern Public Sector: Some Key Concerns*, attempts to bring out the importance of the eclectic and multi-dimensional discussion in public administration and highlight the many challenges that it faces. He primarily deals with the NPM approach and its application in countries like the United States, Australia, Canada, New Zealand and Israel. He brings out the specific experiences in the implementation of NPM and also cautions that in nurturing the citizen-as-client idea, the NPM approach encourages passivity amongst the citizens. According to him, the approach develops, within many of the citizens, an attitude of exaggerated importunity towards the government. He highlights the fact that the real challenge of the public system is to 'do more with less' to counter the general explanation that maintains 'do more with more'.

In an attempt to critically debate the NPM approach, Chapter 10 on *Marketing Public Administration: The New Public Management*

Approach by Amita Singh brings out the challenge of NPM in the present context. She underlines the issue that the introspective journey of public administration from the era of 'Wilsonian dichotomy to NPM' is less a work of academics and more that of state politics. She avers that the argument that 'the foundation of the discipline of public administration remains unaffected' is reemerging through the weaknesses of NPM. She discusses it in context of what is new in NPM, a query that is clearly highlighted in the chapter. She traces the NPM based reform movements in 1980s and 90s by resonating the need for more accountable public institutions rather than the NPM model; and emphasises certain basic commitments pertaining to devolution, decentralization, contracting out, rightsizing bureaucracy, citizens' charters and technological advancement. She brings out the limitations of the NPM model that fails to study the internal configurations of the nation state and the distinction between the customer and citizen; resulting in increased complexity of relationship between the government and civil society with scant regard to administrative values of accountability, participation and openness.

Varied trends and developments in public administration in the globalization scenario need to be analyzed within the framework of effective governance in order to utilize their benefits. In Chapter 11 on *Good Governance: Conceptual Analysis*, Anil Dutta Mishra attempts to provide a theoretical background of the evolution of good governance in public administration. It is not that governance in the past has always been ineffective, but the accent of the International agencies like the World Bank on the concept has brought the issue to the forefront with a renewed emphasis on efficiency, transparency, participation, accountability and responsiveness. The author attempts to bring out this aspect by highlighting the good governance agenda, which advocates freedom of information, a strong legal system and an efficient administration to help the underprivileged claim equality He focuses on the fact that these could be bettered with the backing of strong political mobilization through social movements and political parties with a clear-cut vision.

Chapter 12 is on *Good Governance: Issues of Responsiveness and Decentralization*, which is in tune with the theoretical framework of good governance. The focus of the chapter is on the concept and need of good governance where Chaitali Pal stresses upon participatory development and administrative responsiveness. She discusses the pertinence of decentralization and responsiveness as prerequisites of good governance. While reiterating the perspectives of World Bank, World Social Summit and other agencies, she emphasises on transparency, openness, participation, effectiveness, accountability, legal framework, ethical standards, and debureaucratization, as essential requirements of good governance.

Decentralization is being seen as a prominent policy package to

improve governance and to bring about good governance. As the major innovative initiatives in decentralization have been at the grassroots level, Chapter 13 on *Decentralization: Concept, Characteristics and Constraints* by Sweta Mishra focuses on the genesis of decentralization in India in the form of Community Development Programme and Panchayati Raj Institutions. She brings out the concept of decentralization, its meaning, nature and scope in the Indian context, while highlighting the different problems and constraints in its operationalization. It is believed that efficient institutions, adequate resources, refurbished bureaucracy, political will and participative democracy could change the complexion of decentralization in India. She throws light on these key issues in the chapter.

The growing emphasis on good governance has triggered the debate on the need for a humane state, which is empathetic towards the marginalized and disadvantaged sections of society. In pursuit of this form of governance, the approach of the state towards women and human rights is discussed in Chapters 14 and 15. The state's approach towards empowerment of women in society has been influenced by the different viewpoints on women's issues. This aspect is brought out in Chapter 14 by Debal K. SinghaRoy on *Women, Society and the State: Some Reflections on the State's Approach towards Women's Empowerment in Society.* Keeping in view the changing perspectives on women's development from 'women and development' to 'women in development', the Government of India has formulated and executed several plans and programmes that cater to these perspectives of development centering around women. The author discusses these strategies at the national and grassroots levels, and examines the nature of deprivation, poverty and marginalization of women in society, especially in the light of various dimensions of women's empowerment. The socio-economic bases of women's marginalization and powerlessness, which are legitimately institutionalized in the society is a pertinent issue highlighted by him. He argues that any development initiative without altering the pre-existing structural arrangement and the broad ideological foundation would only reinforce the structure of subordination and marginalization of the vast majority of people, especially women. He also focuses on global initiatives towards empowerment of women.

Chapter 15 by A.S. Narang on *Law Enforcement Agencies and Human Rights* discusses the concept of human rights and the role of law enforcement agencies in protecting and promoting them. The central theme of the chapter revolves around the responsibility of the government with respect to adequate implementation of human rights. The main argument is that unless the systems of thought and government are based on respect for the full spectrum of the rights of individuals, they will remain abstract constructs and eventually disappear. It is important that the law enforcement officials,

particularly the police, should be aware of human rights norms and laws, and these standards should guide their attitudes and behaviour. The author highlights this important concern. Some pertinent issues raised by him are sensitization and training of the police personnel; and adherence to various conventions and codes adopted by United Nations and National Police Commission of India on human rights.

The concept of good governance has found favour with many countries in order to maintain accountability, transparency and effectiveness in pursuit of social and economic goals. The same principles when applied to enterprises, public as well as private, have found a new coinage in the concept of corporate governance. Chapter 16 by R. Satya Raju on *Principles and Practices of Corporate Governance* discusses the concept of corporate governance in national and global perspectives. Global governance with a humane face requires shared values and standards. Corporate governance is therefore being considered the need of the hour. In order to reassert this viewpoint, the author brings out the major recommendations of some of the crucial committees on corporate governance namely Cadbury Committee, King Committee, Blue Ribbon Committee, and Kumaramangalam Birla Committee. He also highlights the need for systematic corporate governance practices and codes, and the role and rights of stakeholders by putting together case studies on corporate governance practices in Reliance Industries Ltd., Dr. Reddy's Labs, and Bombay Suburban Electric Supply.

Corporate Governance Framework: Issues and Challenges is Chapter 17 by Uma Medury. She calls for developing an appropriate model that keeps the steering function of governance at arms length from management function, ensures professionalization, strives towards enhancing the shareholder's value and promotes healthy development of an enterprise. Globalization is exerting pressure on enterprises to examine their system of governance, adjust their business strategies, quality of decision-making and develop better governance framework to cope with emerging challenges. A consensus is emerging globally that a governance framework for enterprises needs to be formulated, which could steer them towards effectiveness, efficiency and excellence. In the face of these developments, she provides a conceptual and evolutionary perspective of corporate governance. She explains the viewpoint by focusing on American, German and Japanese models of corporate governance.

Ethics of Corporate Governance: Some Lessons for the Government is Chapter 18 by Ramesh K. Arora and Tanjul Saxena. Corporate governance is now being seen as a panacea for irresponsible management. Therefore, it is an important responsibility of the state to ensure that a climate of ethical management is nurtured in the government as well as in the private enterprises. The time has come when the central concerns of ethics and accountability should find

acceptability and credence in all institutions designed to serve public good. The authors attempt to bring out the pertinence of ethics and ethical code to corporate governance in view of the developments in the area of corporate governance. They throw light on the fact that good governance would demand an integrated control system that would synthesize self-regulation and extrinsic control. The principles of selflessness, integrity, accountability, honesty and leadership as the parameters of standards in public lives are discussed by them.

Trends in globalization and privatization have opened the doors to far reaching technological changes. Thus, along with the focus on good governance and corporate governance, the emphasis is also being laid on e-governance. Chapter 19 on *Impact of e-governance on Public Administration* by Sachin Chowdhry reviews the promises envisioned by IT revolution. The emerging challenges to e-governance related to infrastructure, capital, access, utility of information, capacity building, changing mindsets, standardization of data encoding, systematic cyber laws, etc. are analyzed by the author. If e-governance is not within the reach of the poor and the disadvantaged, it is likely to fall short of the very objective that it aspires to achieve. The author highlights the fact that the speed and transparency associated with e-governance have the potential to make public administration responsive and also effect good governance.

Reiterating the relevance of e-governance, Chapter 20 on *A Nation Online: Public Administration in the Digital Age* by Sanjay Jaju highlights the unceasing influx of information technology in the country and the administrative response to it. It discusses the ways through which the government could make the administrative system more transparent, efficient and responsive. Sanjay Jaj. reviews 'Saukaryam', an IT project, conceived and implemented by him as a case in point by drawing attention to the fact that success stories like 'Saukaryam' could have macro-level impact if these are emulated and adapted with an open mind at various other places in the government. India is in a position to wrest the benefits of IT if it is made accessible to as many people as possible in urban as well as rural areas. The negative mindsets against IT have to be combated; and education and training on IT need to be imparted to reap the benefits. He stresses some of these important issues.

Organizational reforms are central to the concepts of good governance, corporate governance and e-governance. Efficient, transparent and accountable administration calls for effective organizations. The organizations that are not sensitive to overall changes suffer from their own internal underdevelopment and get into unmanageable crisis. In Chapter 21, *The Failure of Organizational Reforms: A Tragic Story of Indian Administration,* G. Haragopal laments that the process of organizational reforms in India has merely attempted at changes in the form and not substance. Organizational

entropy is deeper in developing countries due to developmental contradictions, fragmented cultural base and accelerating technological compulsions. He argues that this is why organizational reforms are necessary. All systems have to be sensitive to dynamic environment where change occurs at two levels: (1) interface with the nature; and (2) relation between human beings themselves. The western theory, G. Haragopal avers, is rooted in structured relationship and capitalist development, which is more suited to growth-oriented development than values of freedom, equality and dignity. He therefore brings out the need for innovating methods through which the traditional systems could be changed to make them more adaptive to the market role. The moot question raised by him is: how could the new and alternative organizations with a sense of social purpose be built.

All governance strategies and reforms should fall in line with the goals of equity, sensitivity and social justice. The task of creating alternative governance mechanisms is tedious and should take into view the impact of globalization as well as the national, regional and local influences. The gigantic task would involve the creation of more accountable, responsive and participatory mechanisms in order to provide alternative organizations for production and provision of goods and services. The subsequent chapters discuss these issues in detail. Chapter 22 is on *Values and Institutions for Honest and 'People-Oriented' Administration: Towards a Synthesis of Western and Indian Approaches* where Pranab Banerji throws light on the need of a symbiosis between the institutional and psychological approaches for analyzing governance issues. He points out that the institutional approach seeks to elicit socially desired behaviour from self-interested individuals through appropriate 'mechanism-design'; whereas the psychological approach focuses on transforming and elevating individuals towards socially beneficial behaviour. He highlights the need for utilizing the benefits of both the approaches as institutions alone cannot elicit the required behaviour. The fact that human values and ideas of ethical distribution are equally pertinent is brought out by him.

In Chapter 23, *From Legal-Rational to Moral-Legal-Rational Bureaucracy: A Case Study of a Civil Servant,* P.M. Sowjanya and G. Haragopal trace the life of S.R. Sankaran, a bureaucrat par excellence. His participatory, empathetic, sensitive, moral and humane approach to administration throughout his service could be contrasted with the Weberian legal-rational model that draws its sustenance from rules, regulations and division of work. The question on how S.R. Sankaran brought a paradigmatic shift in the administrative work ethics is studied in the chapter using empirical resources from Sankaran's life. The authors seek to comprehend Sankaran's model of civil service as an exceptional style thrown by indigenous culture and

social context. This goes beyond the Weberian model of bureaucracy suggesting that the laid down typology by Weber is not all that exhaustive. They bring out the positive aspect of power that could be used to evolve a responsive administrative culture through empathetic model of bureaucracy as against 'egoistic', 'pragmatic', 'lumpen' and 'compradore' models.

Right to Information: A Key to Accountable and Transparent Administration is Chapter 24 where Jaytilak Guha Roy talks about the pertinence of access to information for a responsive and transparent administration. The citizens' Right to Information is increasingly being recognized as an important instrument to promote openness, transparency and accountability in public administration. He focuses on the issues related to Right to Information such as empowerment of people, strengthening of democracy, promoting responsive administration, improving quality of decision-making and ensuring people's participation. Bringing out the national and international perspectives on Freedom of Information legislation with regard to Right to Information, he discusses the constraints in its effective implementation. The central argument of the chapter is that revamping the administrative system towards operationalizing the Right to Freedom of Information would require formulation of a systematic training policy, an effective system of reward; and an efficient information management system. A mere conferment of the Right to Information without changing the existing style of governance would render the entire exercise futile.

In Chapter 25 on *The Citizen's Charter Initiative: Pronouncement of a Paradigm Shift in Bureaucracy-Client Interface,* Arvind K. Sharma highlights the pertinent TQM inspired initiatives that have surfaced in public bureaucracies especially the citizen's charter that underlines the public focus of government bureaus and various problems inflicting it. Charterism is about making bureaucracy deliver services of specified volume, specifications and quality. The unilaterally operating conventional public bureaucracy must increasingly move into a multilateral mould. It needs to allow its decisions to be influenced by those who will deliver the public services, those to whom these services will be delivered; and those organs of the civil society, like the NGOs and local government, which could organize bureau-clients into pressure groups. These very pertinent issues have been brought out by him in the chapter, which attempts to steer the bureaucracy-citizen interface in a new idiom.

Chapter 26 on *Emergence of Civil Society Organizations: The Globalization Context* wraps up the discussion on the need for value-based institutions, Right to Information and multi-lateral bureaucracies by highlighting the reemergence of civil society and the need to study the role of its institutions and other constituents in a different perspective. In this chapter, Alka Dhameja highlights the

fact that the meaning of civil society organizations can be best understood in the light of the relationship of civil society with the state and the market. Both state and market determine the complexion of civil society. The questions such as what exactly is civil society, has it really reemerged or is it being merely reinterpreted, why has it become a crucial topic, what is its relationship with other sectors in governance, what kind of problems is it facing, what is its role in the era of globalization and what direction its functions would take in future have been raised in the chapter.

In Chapter 27, *Creating Alternative Institutional Arrangements: Role of User-Group Self-Initiatives,* Madhushree Sekher discusses the role of user groups in participatory resource management. She makes an attempt to explain the role of self-initiated micro-institutional strategies in management of community-based resources. She discusses some theoretical arguments underlying collective action and natural resource management, and elaborates the framework of analysis on the basis of a methodological field study of two villages in Nayagarh District of Orissa. The author provides a situational analysis of the organized participatory resource management process as mediated through self-initiated institutional strategies of resource users themselves. She also stresses the fact that the strength of self-initiated resource management strategies lies in there being a close symbiotic relationship between resource and resource users, direct consumptive benefits from the resource to user community and a system of consensual arrangement among the group members grounded in traditions of cohabitation.

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2

Understanding Administrative Theory: A Perspective

— Pardeep Sahni

To say that public administration is as old as the creation of 'state' could be very well justified. The individuals surrendered their sovereignty to that of the state for it to manage the affairs whereby the life and property of the human 'beings', which have all the potential of 'becoming' could be protected. The individual's genuine quest for peace as an essential ingredient of growth and development has always engaged the attention of the governors, and one finds that a number of newer approaches and methodologies have been replacing the hitherto prevailing techniques. In fact, effective operational mechanisms have always been in the offing.

History stands testimony to the fact that even during the ancient and medieval periods, sound administrative principles surfaced many a time to justify the governance of the times. Reference to the Egyptian, Greek, Roman, Chinese, Indian administration, etc., to name a few, amply proves the point. In fact, a look at the content matter and functional aspects of public administration brings forth that public administration is an effective blend of qualitative tenets of political science, history, geography, sociology, psychology, law, philosophy, biological sciences, engineering, medical sciences, and the like. Probably this could be considered as one of the major reasons that till date we have not been unanimous in arriving at an acceptable set of definitions or clearly laying down the boundaries of public administration.

As an area of study, which ultimately paves the way for its professionalism, public administration stands enriched with vast competing theoretical foundations, epistemologies, mores, values, norms, and also their relationship with practice in socio-economic and political contexts. One school of thought contends that the boundaries of public administration are never clearly determined. This probably is

a negative pursuance of public administration because in view of the fact that it deals with human 'becoming' as well as social settings, economic pressures, political ideologies and so on, public administration ought to be, and so it has been, a rather dynamic area of study and practice. The focus in the recent times on its relationship with non-profit, community based societal organizations, etc., has rather added to the enrichment of this field of study. Both as a discipline and profession, public administration has covered a long journey. Stephen K. Bailey (1986) has identified four general categories of public administrative theories:

1. Descriptive or explanatory theory (it encompasses those propositions and models whose intent is systematically to explain and predict action in or related to public administration);
2. Normative theory (its objective is 'to establish future states prescriptively' by elucidating the value premises on which administrative actions need to be taken and judged);
3. Assumptive theory (it includes those 'propositions, which articulate the root assumptions about the nature of man and the tractability of institutions'); and
4. Instrumental theory (referring to such theories whose purpose is the application of knowledge to practical tasks of accomplishing administrative objectives).

Various scholars and authors have put forth the development of administrative theory in different perspectives. For example, Nicholas Henry (2003) has justifiably listed it in five paradigms as: (1) The Politics-Administration Dichotomy (2) The Principles of Public Administration (3) Public Administration as Political Science (4) Public Administration as Management; and (5) Public Administration as Public Administration. Likewise, different writings have laid claims regarding the major founders of public administration. For example, it is said that Alexander Hamilton was the founder of the profession; Thomas Jefferson was the founder of the tradition of American public administration; Woodrow Wilson is known as the father of public administration; Elton Mayo as the human relations exponent, etc. If this be the case, there is no reason to forget Socrates, Plato, Aristotle, Augustus, Kautilya, Akbar, and the like who have contributed immensely to the growth of public administration.

The emerging kernel of the issue is that depending on the compulsions of the times and the needs of the polity and society, various great thinkers have in their own ways contributed to the discipline and profession of public administration. A clue from the existent literature on the subject paves the way to describe the development of administrative theory in a brief manner without undermining the grand efforts made by these noted scholars. For this

purpose, the developments in different eras, are clubbed chronologically starting with the Pre-foundation Era; and moving on to the Foundation Era; and the Reform and Managerial Era. A temporal analysis of the growth of public administrative theory is thus being attempted here.

PRE-FOUNDATION ERA

Going by the much talked about view that 'The Study of Administration' by Woodrow Wilson systematically heralded the advent of the study of public administration, the period earlier than this constitutes the 'pre-foundation era' starting with Alexander Hamilton, about whom George Washington said in 1781 "... this I can venture to advance from a thorough knowledge of budget that there are few men to be found, of his age, who have a more general knowledge than he possesses, and none whose soul is more firmly engaged in the cause, or who exceeds him in probity and sterling virtue'. With regard to the administrative apparatus of the state, Hamilton strongly displayed his interest and wisely contemplated a 'full investigation of the history and science of civil government, and ... practical results and various modifications of it for the freedom and happiness of mankind' (Kent, 1898).

Hamilton (1961) advocated for a strong chief executive and bureaucracy, which should be exceptionally well-paid 'A feeble executive (by contrast) implies a feeble execution of government. A feeble execution is but another phrase for a bad execution; and a government ill-executed ... must be, in practice, a bad government'. He held the view that the assistance provided by the bureaucracy to the chief executive is of paramount importance and therefore for the cause of continuity, the bureaucracy's tenure of office should be beyond that of their appointee in the chief executive. Paul Van Riper (1983) has stated that 'if anyone deserves a title as the founder of the American administrative state it is ... Alexander Hamilton'.

The philosophy of reason, individualism, liberty, and limited government is that of Thomas Jefferson, who has been termed as the founder of the public administration tradition in America. He was instrumental in getting America a national government, as per the Constitution, having checks and balances besides division of powers. Being the author of the Declaration of Independence, Jefferson laid down the foundations for American social contract revealing the political culture of America. He believed in an innate 'moral sense' that guided persons to be benevolent—a naive and idealistic assumption about human nature that may, in part, explain his trust in the capacity of individuals to govern themselves. He advocated limited government and eternal vigilance to keep its power safely in check (Mayer, 1997).

What is now seen through is that certain parts of Jefferson's philosophy are adored while others are ignored. A look at many of the inscriptions on the walls within the Jefferson Memorial, one can see that they were selected to serve as propaganda for the New Deal. Thus, his description of a 'wise and frugal' federal government as one having 'a few plain duties to be performed by a few servants' does not appear. Instead, there is a quotation in which Jefferson, advocating frequent Constitutional changes admonished that as circumstances alter, 'laws and institutions must advance to keep pace with the time' (*ibid.*).

James Madison, who represented the tradition of administrative constraint, has been quoted to have said that 'I am not a friend to a very energetic government. It is always oppressive. It places the government more at their ease, at the expense of the people' (Drinker, 1966). James Madison, the major author of American Constitution came out with the terms 'Compound Republic' and 'Extended Republic'. He did so to describe the working of the new federal structure and its division of powers. He stated that the instability, injustice and confusion introduced into the public councils, have, in truth, been the mortal diseases under which popular governments have everywhere perished; and these continue to be the favourite and fruitful topics from which the adversaries to liberty derive their most specious declamations. He was all for beholding a republican remedy for the diseases most incidental to republican government.

Analyzing the basic content of the writings of Hamilton, Jefferson, and Madison, one cannot find, by any stretch of imagination, that workable mechanisms were suggested. There have been obvious contradictions in the approaches of these practitioners. Each one has made a contribution looking at the prevailing conditions of their times. They have attempted to structure administrative practices on the basis of their inferences and interpretations. As a result, the administrative theory did not enrich to a great extent during this period.

FOUNDATION ERA

Woodrow Wilson (1887) observed in his essay that it is 'getting harder to run a Constitution than to frame one'. He advocated for a more systematic, methodical, and intellectual exercise as well as the resources for the management of the state. He laid down the importance of public administration. According to him, policy-making is the task of the political executive and policy implementation vests with the permanent executive. Later, in the same vein, Frank J. Goodnow (1900) also emphasized that 'politics has to do with policies or expressions of the state will, while administration has to do with the execution of the policies'. The thesis originated by Wilson and

strengthened further by Goodnow presented a clear base for public administration.

Richard Stillman (1973), Paul Van Riper (1983), Daniel Martin (1988)[1], etc., held the view that Wilson did not understand what the study of administration actually contains and what has to be the relationship between the political and permanent executives in managing the affairs of the government. But what Wilson and Goodnow did was, in fact, in accordance with the need of the prevailing times in a bid to accord a suitable status to public administration, which by some means was pushed to the background. In a similar manner, in order to find lasting solutions to the problems of industries instead of relying on the day-to-day problem solving approach, the 'Scientific Management School' initiated by Frederick Winslow Taylor and carried on by others through the years, stressed specifically on more distinct problems of management.

Certainly, the sketching of effective production techniques and the development of managerial approaches to implement them, provided a view of the functioning of individuals in organizations that can qualify as one of the earliest theoretical formulation of organizational behaviour. It established a view of individual activity in organizations based on the physical and physiological functioning of individual workers in an industrial concern. The central tenet of scientific management was outlined by Taylor's theory that there was 'one best way' of doing a particular job (Taylor, 1911).

The extension of this approach from the individual to the organizational level brings with it the industrial phenomena of organization charts, job descriptions, work standards, flow charts or diagrams, and all related extensions or refinements (Kolasa, 1969). The scientific management group has stressed upon the standardization of working methods. The major concern of the group has been with the types of works being performed at the operative level. The group has probed into the effectiveness of the human element in the organization and has hence, taken into account that individuals have been equated with machines for the accomplishment of routine nature jobs, which because of their repetitive nature have been assumed to be performed effectively by individuals.

The various aspects of administration or management, developed earlier mainly by Henry Fayol (1949) and others, are still found in

1. Stillman, Richard J. II, 1973, "Woodrow Wilson and the Study of Administration: A New Look at an Old Essay", *American Political Science Review*, Vol. 67 (June): 587. More accurately, in formulating his politics/administration dichotomy, Wilson apparently misinterpreted some of the German literature that he read on public administration. In any event, the politics/administration dichotomy has clearly had an impact on the evolution of public administration. See: Riper, Paul Van, 1983, "The American Administrative State: Wilson and the Founders—An Unorthodox View", *Public Administration Review*, Vol. 43 (Nov./Dec.): 477–490, and Martin, Daniel W., 1988, "The Fading Legacy of Woodrow Wilson", *Public Administration Review*, Vol. 48 (March/April): 631–636.

operation. In comparison to the concentration on the problems at the operative level as tabled by the 'Scientific Management School', this stream of classical organization theory views the major problem as that there must be an identification of the tasks necessary for achieving the general purpose of the organization and of the departmentation to assist in performing those functions in an effective manner. Besides Henry Fayol, the other eminent scholars in this School have been Sheldon, Urwick (1943), Gullick, Reiley, and Mooney (1947). The analysis of the essential characteristics of structural theory can be made under four major headings—Division of Work, Departmentation, Coordination, and Human Behaviour:

Division of Work

The major thrust is to attain maximum benefit for the organization in quality as well quantity. The principle of division of work, simply speaking, means breaking down a work into various sub-works and getting the sub-works done by the individual/individuals. In this manner, the performer can have specialization in his job and it would capacitate him to accomplish the task in a better way in much less time. The individual could be asked to perform a sub-work first and then take up another depending upon the kind of situation and load of work in an organization.

Departmentation

The work, which has been divided into various parts or sub-parts, has to be assigned to different individuals depending upon their speciali-zation. It is in practice not as easy for the management to do so, as it might seem to be in theory. The management has to take note of the quantity of the product, the amount of labour, the maintenance cost, the overheads, etc. Purpose, process, clientele, place, and time, are the five alternative bases for grouping the work suggested by Gullick and Urwick (Gullick, et al., 1937).

Coordination

Coordination is the essence of effectiveness of any organization. It has been observed that the organization is an association of individuals. The pertinent question is what is the role and place of individuals in an organization. If they are not being provided with any amount of respect and identity in an organization, it is not appropriate to consider it to be a 'human organization'. It means they must be given to have an entity and identity, but up to what extent is the question, which is often asked. How do the individuals working in different departments strive for organizational goals? Though, there is departmentation and division of work, the functions of every individual in an organization are related to one another to collectively

form the functions of the organization. These have to be properly coordinated so that the things are on a swift move in the organization and do not come to a stand still. In its formalized model of departmentation, the possibility of problems of coordination is quite remote, as it is decided well in advance who is to do what and when. The various tasks are assigned to the different units and each does its tasks adequately.

This point of view is not supported by many of the classical theorists. They are of the opinion that the situational factors may stand in the way of proper coordination, as it is not always possible to think of the times to come and the environmental forces and factors that would guide the future course of events. To this effect, three factors have been identified in a study: (1) the time of occurrence of activities may be conditional on events external to the organization or events internal to the organization; (2) the appropriateness of a particular activity may be conditional on what other activities are being performed in various parts of the organization; (3) any activity elaborated in response to one particular goal or function may have consequences for other goals or functions (March and Simon, 1958). Of course, not much attention has been paid to such factors by the structural theorists for constructing an organization model.

Human Behaviour

The structuralists have viewed the individuals working in an organization as lifeless tools whose basic concern is to merely accomplish the organizational tasks assigned to them. The workers have not been treated as variables in the organization but have been taken for granted. These theorists have ignored the human behaviour complexities by not taking appropriate stock of the psychological aspects and motivational factors of individuals. As a result of the absence of the required sensitive orientation, the structural theory is unable to address issues pertaining to forecasting, handling and controlling the individuals' behaviour in the organization.

James Mooney has given the principles of organizations, which could be regarded as probably the ulitimate major attempt to broaden the basis of this approach. The five principles of organization enumerated by him are: perpendicular coordination, horizontal coordination, leadership, delegation, and authority. He has held the view that each one of these principles is almost essential and basic to every organization. Hence he has termed these as 'Universal Principles of Management' (Mooney, op. cit.).

It has been averred that if the underdeveloped countries have been slow to keep pace with development gains, it is mainly because people have remained underdeveloped having had no opportunity to realize their maximum potential. The maximum utilization of people and their potentialities is the key not only to the growth and

development of nations but also to that of organizations. The prime challenge for the leader in an organizational set up is to understand the determinants of human behaviour in that setting, and then to convert these insights into a system of leadership that will yield maximum efforts by subordinates or by others whose inputs are required. Even the classical organizational theorists such as Taylor, Fayol, Mayo, Urwick, Follet and Gantt recognized the human element in the organization set up albeit covertly. The human relations approach was born out of a reaction to the classical approach. The essence of this approach is contained in two points (1) Organizational situation should be viewed in social as well as in economic and technical terms; and (2) The social process of group behaviour can be understood in terms of clinical method analogous to the doctor's diagnosis of the human organism.

Elton Mayo is generally recognized as the father of human relations approach (Mayo, 1945). In 1924, a group of researchers began an inquiry into the human element of work and working conditions at Hawthorne Plant of Western Electric Company, Chicago. The prominent among the researchers were Elton Mayo, Roeth-Lisberger, and Dickson (Lisberger and Dickson, 1939). The series of experiments (Illumination Experiment, Relay-Assembly Test Room Experiment, Bank Wiring Observation Room Experiment, etc.) uncovered the important and significant social foundations of industrial activity.

Chester Barnard enunciated a point of view stressing upon the proclivities of organizations to attain equilibrium. In numerous ways, the viewpoint is right about the theories, which stress upon those forces that change the organization (Barnard, 1938). He has concentrated on the idea of efficiency. He feels that an efficient organization is the one wherein the members participate. The effective participation of members is ensured due to the fact that they get benefits or at least perceive themselves as receiving some rewards in the process. Efficiency is an individual matter related to the satisfaction of individual motives. The effectiveness of an organization is the accomplishment of a common purpose. Both effectiveness and efficiency (in combination) promote cooperation, which is the most significant aspect of organizational functioning, since through it individuals are capacitated to overcome their biological limitations and combine to achieve the goals that are not available to individuals alone. Barnard's theoretical view of organizations was adopted by Simon (1947) and developed further by March and Simon (op. cit.).

In his approach, Simon laid more emphasis on the cognitive aspects of functioning and stressed on problem solving and rational choice. Functioning in an organization is considered to be goal-oriented, and in approaching equilibrium, the action in the organization is adaptive. The sequence of activities begins with the

search process for alternatives, following which, specific or limited action programmes are developed and fixed upon in recurring paths. The critical concept in the entire process may be the fact that individuals and organizations do not optimize, that is, do not search unless there is a pursuit to attain a maximum or ideal return as the classical, rational-economic view of behaviour indicated. Instead, according to Simon, they 'satisfice' or strive to attain a satisfactory level (Kolasa, *op. cit.*).

Barnard did not approve of the classical organization theory, as it was according to him, highly descriptive and superficial. The formal organization was described by him as a percipiently synchronized system comprising two or more individuals. Barnard held the view that authority travels from the bottom to upside. He was highly critical of the 'classicists' view that authority should percolate from the top to the bottom. He laid down a set of four conditions essentially to be complied with before individuals decide to abide by a communication command (Barnard, *op. cit.*). Individuals, he stated, must understand the communication; at the time of their decision, they must believe that it is not inconsistent with the purpose of the organization; they must believe it to be compatible with their personal interests as a whole; and they must be mentally and physically able to comply with it.

Chester Barnard's work is considered to be a real break with classical deliberation on organizational structure. Getting started from this propitious incipience, modern organization theory has progressed in three major directions: organization as a system, especially an open system; information processing view of organization; and contingency theory of organization.

Max Weber gave the characteristics of an ideal bureaucratic organization as: specialization and division of labour; positions arranged in a hierarchy; a system of abstract rules; impersonal relationships, etc. (Henderson and Parsons, 1947), In nutshell, Weber's bureaucracy was contemplated to be an ideal one and it is not exactly suitable for any organization in the world to follow Weber's model entirely. A well-known modern organization theorist Peter Blau (1956) has summarized Weber's inclinations. He has stated that 'Weber dealt with bureaucracy as what he termed as an ideal type. This methodological concept does not represent an average of the attributes of all existing bureaucracies (or other social structures), but a pure type, derived by abstracting the most characteristic bureaucratic aspects of all known organizations'.

Some of the characteristics of Weber's bureaucracy are effective in some specific conditions and time, and these are being used in some of the organizations. Of course, it is not a serious challenge, but decidedly the more pertinent question that emerges is, whether the functions of bureaucracy will outweigh some of its quite resolute

dysfunctions. Weber has not taken stock of this issue. He did not stress upon the dysfunctional consequences of the bureaucratic approach. Through a thorough and meticulous perusal of Weber's work, one would be convinced that though he did recognize some dilemmas or conflicts inherent in a bureaucracy, the important dysfunctions were never adequately pondered over by him in his bureaucratic organizational theory. It could be because he, qualitatively and quantitatively, emphasized more upon the functional attributes.

Nevertheless, the influence of Max Weber on some behavioural thinkers is perceptible. In bringing about their descriptive organizational models, these people have drawn on his concept of bureaucracy. Though they do not agree with one another in absolute terms, yet in three Dysfunctional Models, given by Merton (1957), Selznick (1949), and Gouldner (1954), focus has been on the factors, which have proliferated, in the bureaucratic organizations because of their coordinated functioning. Interest is highest among these researchers on the dysfunctional consequences of bureaucratic organizations, that is, those forces that are unintentional, but have a tendency to hamper the functioning or drive the elements apart. Merton's model has stressed upon the consequences of control where, primarily, the rules function as an outcome of the concern for a consistent set of functions and the reliability that comes with adherence to clear regulations for behaviour (Kolasa, op. cit.).

Merton (op. cit.) is of the view that an important behavioural sequel to bureaucratic structuring is the rupture of total accomplishment of goals. He has held the view that when rules and procedures for maintaining absolute discipline become an end instead of means, these negatively reflect upon the personality of an individual working in an organization. In order to subdue some behavioural dysfunctions of bureaucracy, Selznick (op. cit.), on the basis of his study of the Tennessee Valley Authority, has made some precise suggestions and recommendations. For making the bureaucratic structures more partaking, workable, and in cahoots with the systems, the more illuminated and enlightened concepts of organization like delegation of authority need to be embodied in it.

While talking about human behaviour in an organization, Gouldner (op. cit.) has given a model of organizational behaviour, which describes individual dynamics and interaction in a group, or how the individuals can set forth the parameters of a problem in preparation for decision-making in organizations. His study on the bureaucratization of a Gypsum Plant Organization has revealed that for bureaucracy to be operational and functional, some set of physical and psychological conditions must endure. Though the study was based on a single organization, it did bring to surface the significance of environmental variables in an organizational set up. Gouldner has stated 'As a case history of only one factory, this study can offer

no conclusions about the state of American industry at large, or about the forces that make for bureaucratization in general' (Luthans, 1985).

Gouldner's study has recorded the prominence and pursuance of informal structures in an organization. His research, besides bringing to light certain modern organization theory concerns, viz. the grandeur of environmental variables, has made a case for contingency management and organization design. Gouldner has not only cultivated but also enlarged the bureaucratic organizational approach of Weber. His research capacitated him to resolve the bearing of factors in bureaucracy that originate tension. The three bureaucratic patterns diagnosed by him are—Mock, Representative, and Punishment-centred. The major variance between these patterns is in the level upto which rules are executed (*ibid.*).

Under the Mock Pattern, rules are neither enforced by the management nor obeyed by workers. Usually, little conflict occurs between the two groups and joint violation and evasion of rules are buttressed by the informal sentiments of the participants. Under the Representative Pattern, rules are both enforced by management and obeyed by workers. It generates a little bit of overt conflict. Joint support for rules, is buttressed by informal sentiments, mutual participation, initiation and education of workers and management. The Punishment-centred Pattern lets the rules be enforced by either the workers or management and be evaded by the other group. Relatively greater tension and conflict are entailed. The rules are enforced by punishment and supported by the informal sentiments of either workers or management (*ibid.*).

The modern theories of organization have demonstrated the quantitative evanescence or certainly a major alteration of views on the classical bureaucratic approach. Warren Bennis (1965) has stated that 'the bureaucratic form of organization is becoming less and less effective; that it is hopelessly out of joint with contemporary realities; that new shapes, patterns, and models are emerging, which promise drastic changes in the conduct of the corporation and of managerial practices in general'. He came out with some pertinent points about the classical bureaucratic approach: Bosses without, and underlings with, technical competence; arbitrary and zany or absurd rules; an underworld (or informal) organ_____, which subverts or even replaces the formal apparatus; _____ and conflict between roles; and cruel and in human tre__ ____ sub_____tes without any rational or legal ba__ _____ drawbacks of

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- It does not take into account the 'informal organization' and the emergent and unanticipated problems;
- Its systems of control and authority are hopelessly outdated
- It has no juridical process;
- It does not possess adequate means for resolving differences and conflicts between ranks and, most particularly, between functional groups;
- Communication and innovation ideas are thwarted or distorted as a result of hierarchical divisions;
- The human resources of bureaucracy are not being utilized fully because of mistrust, fear of reprisals, etc.;
- It cannot assimilate the influx of new technology or scientists entering the organization; and
- It modifies personality structure in such a way that the person in a bureaucracy becomes the dull, grey, and conditioned 'organizational man'.

The end of colonialism liberated many nations, which were reeling under conditions of uncertainty and under-development. F.W. Riggs, on the basis of his study of some of these developing nations came out with the 'Sala Model' and 'Bazaar Canteen Model'. He has held the view that there is a substantive degree of 'formalism' prevailing in these countries besides heterogeneity and overlapping. He also inferred that poly-normativism is much in existence in these societies and mostly the bureaucracy, termed as 'Sala' by him, is governed by norms of racialism and casteism. The theory developed by Riggs provides ample scope for improvement in the developing nations, which are facing challenges on a number of counts. Various thinkers and scholars have attached significant attention to policy sciences in their writings and models postulated by them. Yehezkel Dror, Stuart S. Nagel, Thomas R. Dye, Fred M. Frohock and the like have advocated for special attention to be laid on policy making, implementation, and evaluation for effective management of the state of affairs.

REFORM AND MANAGERIAL ERA

The problems encountered by a number of developed as well as developing nations in 1950s and 1960s made the scholars to bring forth plausible theoretical concerns for better results. These were mainly to handle food shortage, labour unrest, student unrest, political unrest, wars amongst nations, etc. The New Public Adminis-tration movement suggested for a client-centred approach to be adhered to besides developing anti-hierarchical and anti-bureaucratic paradigms. Frank Marini, Dwight Waldo, George H. Frederickson, Robert T. Golombiewski, etc., stated that politics-administration

dichotomy was of no relevance. They rejected the definition of public administration as value free and advocated that the static image of a human as 'being' needs to be replaced with 'becoming' and stressed on the issue of relevance. Through his diverse writings, Dwight Waldo has contributed immensely to administrative theory. His thoughts have been summarized under several categories (Carroll, 1997):

- Antinomic, in the sense of focusing on the tensions among concepts, which are considered valid in their own spheres;
- Pluralistic or multi-dimensional, in the sense of emphasizing a broad array of factors at work in any given administrative process;
- Historical, in the sense of stressing the evolution of administrative processes, often calling attention to cycles;
- Comparative, in the sense of focusing on comparisons among agencies, states, and nations;
- Normative, in the sense of being concerned with the fundamental relationships among bureaucracy, civilization, and the values of the good life, including democratic values;
- Functional, in the sense of focusing on processes of change within bureaucratic functions; and
- Anti-reductionist, in the sense of emphasizing the complexity of forces at work in bureaucracy and cautionary about formalistic solutions to public discontent.

The First Conference of New Public Administration did make an attempt to provide solutions to the contemporary problems but the realization of the fact that focus on consumer sovereignty, racialism, and women's participation had not been specifically outlined, made the Second Conference of New Public Administration in 1988 include these in its 'Action Agenda'.

Realizing the importance of effective and good governance, the administrative theory has drawn on the managerial perspective in a substantive manner and thus the term New Public Management (NPM), which originated in New Zealand in 1980s has spread its wings in other countries like Australia, U.K., Sweden, USA, Canada, etc. Osborne and Gaebler described the bankruptcy of bureaucracy and emphasized on the need for entrepreneurial government.

In a nutshell, the NPM seeks to tackle four key weaknesses in public service provision, namely (i) Traditionally organized and managed public services do not effectively control costs, and hence the need for competition between service providers through quasi-market arrangements has arisen. Providers that are more expensive or unable to control costs will secure fewer contracts, and efficient service providers will increasingly emerge; (ii) Traditionally organized and managed public services do not effectively improve quality. Competition will similarly lead to providers who innovate to secure

better practices and in so doing, win more service provision contracts; (iii) Traditionally organized and managed public services do not effectively meet the standards of service expected by ordinary citizens. One way of addressing this is to give service users a charter of rights to standards of service, which they can legitimately expect; and (iv) Traditionally organized and managed public services have given too much power and influence to special interest groups representing nationally organized work forces, on whom service provision depends.

In line with the response to political compulsions and challenges and increasing pressure on governmental expenditure leading to poor economic performance, adherence to the characteristics of NPM and certain reforms in this direction were initiated in some of the countries. The aspects, which got a better deal include: developing accrual accounting; programme reviews; financial compliance; performance auditing; greater organizational autonomy to the managers over finance, personnel and working practices; public-private partnerships; outsourcing; value-for-money approach; introduction of best value initiative; benchmarking; performance or service level agreements; policy evaluations; e-governance; re-engineering; total quality management; business excellence model; citizens' charters; e-democracy, etc. Thus, NPM has been able to move towards budgetary reforms, organizational restructuring; inter-governmental devolution, marketization and privatization, efficiency and effectiveness, customer-orientation, quality management, participation and the like.

For efficient provision, wise management, and quality of the infrastructure, Sanda Kaufman has recommended participatory mechanisms to be in place. Individual cognitive barriers detract from meaningful public participation in decision-making. Lack of information deters public intervention, leaving politicians, administrators, and specialists to proceed the way they wish. They take the liberty to act with freedom from common citizen's perspective, vision, and gaze. Advocating strongly for ensuring people's participation qualitatively, Sanda Kaufman suggests that public interest in the relevant issues or the possibility of people's scrutiny of the likely outcome and positive impact may enable the policy makers to: (i) base their choices leading to policies/decisions on complete statistics and information pertaining to costs, benefits and resultants of such choices, which *inter alia* has an effect on levels of supply, design, technological interventions, quality of service coupled with perfect maintenance and sustenance; and (ii) make users/consumers thoroughly well-conversant with the policies/decision made by way of information to be widely disseminated (Kaufman and Snape, 1997). Kaufman's point of view adds to the need of bringing efficiency in the public services through involvement and active participation of the nationals in any given country.

Donald F. Kettl (1996), one of the leading experts on government

management feels that the contemporary civil service does not have requisite skills to perform the tasks, which have been assigned to it, especially in the on-going Reform and Managerial era. Kettl holds the view that after increased focus on privatization and devolution, the civil servants have been made to devote much time managing public-private partnerships and not delivering services. Of course, the trend for devolution and for the civil service to be an enabler and a facilitator than a provider and a controller is to gain more strength in the times to come. But there is a required focus on training and inculcating the necessary skills among the civil servants to cope with the task.

Referring to the core characteristics of the reform movement, Kettl has pointed out the commonalities of such traits, which include 'productivity—finding ways to squeeze more services from the same-or smaller-revenue base; marketization—replacing traditional bureau-cratic mechanisms with market strategies; service orientation—putting citizens as service-recipients first; decentralization—transferr-ing more service—delivery responsibilities to local governments and to front-line managers; policy—explicitly separating government's role as purchaser of services from its role as provider of these services; and accountability for results—focusing more on outputs and outcomes instead of processes and structures (Kettl, 2000).

Public administration operates in an environment, which consti-tutes both internal as well as external variables. For all practical purposes, the discipline and profession of public administration is to look towards a perfect intermix of prevailing forces as well as environmental facets and variables. Standardization of services and institutionalization of practices are not any new operational aspects in public administration. Referring to it in the contemporary times, Paul A. David (1995) states that the choice between standardization and non-standardization is often framed as a choice between the respective virtues of order and freedom. Consequently, the standard policy is framed in similar terms. David has argued that this analysis is ill-posed. He has opined the view of institutional processes of standards-setting as a dynamic response to a dynamic environment.

Samuel Krislov (1997), on the basis of the case studies conducted in the United States of America, European Union, Japan, and the erstwhile Soviet Union has placed the evolution of standards and standardization processes in the broader institutional perspective. He holds the view that the national industrial and economic strategies pave the way for standardization policies. Krislov's thesis brings forth the point as to how the broader national policies affecting the society and polity need to be determined—whether there is any scope for involvement of the people in determining the path of development or it is virtual centralization in the garb of decentralization. At times, one just wonders whether the famous quote on democracy by

Abraham Lincoln still has the same spellings of the key words 'of the people, for the people and by the people' or have these changed to 'off the people, far from the people and buy the people'?

The viewpoint of Charles Lindblom (2001) on the market system is of greater value in the prevailing times and has added a new dimension to administrative theory. He has opined that when it comes to efficiency, market system is not at all easy to beat. The markets, he feels, have 'the great and distinctive merit of efficiency prices that permit a drastically improved degree of efficient choice. They make cost information universally available'. It is a fact that the market systems also have their inefficiencies and spillovers. Lindblom has stated that 'The state has in many ways stepped in to protect the liberties that the market itself fails to protect. States do not permit people to sell themselves into servitude, and they impose limits on discharge of employees. The unions and other private groups also often intervene. That these groups and the state intervene so frequently that the situation could be traced back to the frequency of market offences against freedom'. He has stressed that the market system is a system of social coordination, a 'mammoth coordinator' whose reach extends beyond economic behaviour.

Developing on a number of generalized observations made by Anthony Downs (1957) about government bureaucracy, Thomas J. DiLorenzo (2002) states that incidents like that of 11th September 2001 prove the failure of bureaucracy to perform what is its most basic function. He says that 'Government bureaucracies always fail to live up to their promises because they are not market institutions. As such, there is no possible way of ascertaining how efficiently the bureaucracy is run since there are no 'profit-and-loss statements' in the government sector, it has only 'budgets'. The extent of bureaucracy's budget has nothing to do with how well it pleases the consumers, since there are no consumers in the market place. Instead, budgetary amounts are determined by arbitrary bureaucratic rules and by politics. The kernel of this viewpoint is the need for a strong public opinion to put pressure on the public services to perform to the required expectations and deliver the services in an effective as well as efficient manner.

Public administration is a dynamic discipline and a profession and so is administrative theory. When one finds a lot of scholars and practitioners attempting to put to practice the NPM, John Rohr (2002) has stated that 'the business approach holds sway'. The NPM promotes entrepreneurs over civil servants, performance over process, decentralization over centralization, and flexibility over rules. Consequently, the NPM alienates public management from its natural home, a nation-state established within a Constitutional order. As per Rohr, 'nothing is more fundamental to governance than a Constitution; and therefore to stress the Constitutional character of

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administration is to establish the proper role of administration, as governance not only includes management but transcends it as well'.

CONCLUDING OBSERVATIONS

The analysis of various theoretical constructs and models reveal the existence of administrative theory since the inception of the practice of public administration. Thus, to say that public administration has been put into practice as per the constructs evolved both by disciplinarians and practitioners is a fact. There has been, of course in place, a notion of 'theory versus practice'. Theory leads to practice and practice in turn contributes to or enriches the theory. As with the proverbial question of whether it was the egg or the hen which came first, it becomes tedious to clearly figure out whether Mauryan administration made Kautilya to write the 'Arthshastra' or the Arthshastra made Mauryan administration to put to use better administrative principles. It is said that the child is the father of man; true to some extent, but equally true is the fact that child is not the father of his father. Likewise, to contend that public administration is practiced without administrative theory is certainly non-justifiable.

Attempts have always been made to better the administrative practices, and more so, in accordance with the need of the hour. Focus on ethics, gender sensitization, human rights, consumer behaviour, public systems management, participatory management, etc., strengthens the point that with the growth and development of science and technology, more stress is being laid on such methodologies, tools, and techniques whereby the societal components could be taken utmost care of. Nevertheless, all such efforts are based on theoretical foundations brought forth through empiricism and ground realities.

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Public Policy Discourse: The Inter-Subjective and Symbolic Dimensions of Administration

— KENNETH N. HANSEN

Phenomenology, according to Charles J. Fox (1994), is 'the study of how *stuff* happens' to paraphrase a popular American colloquialism. More specifically, for public administration, it is the study of how policy is legitimized and implemented. This question of how policy is made has caused everyone from administrative theorists, elected officials, public managers to ordinary citizens great concern, especially when things have gone wrong. For instance, following the September 11 tragedy in the United States, the 'bureaucracy' was given high approval ratings and public support not seen since the advent of scientific opinion polling. But only a few short months later, the nation succumbed to intense bickering over how this very 'bureaucracy' failed to protect the citizens from the attack in the first place. This prompted calls for urgent bureaucratic 'reform'.

How is it that specific agencies and individuals can be reified with the negative stereotype of 'bureaucracy', when there was probably no way to prevent such a tragedy from happening in the first place? The problem seems to stem from the attention paid to the lack of inter-agency communication and coordination. In other words, the bureaucratic structure, which prevents the right hand from knowing what the left hand is doing, is to blame. Though the real problem is lack of communication through authentic public discourse; structural rigidity is cited as the cause.

This attitude reflects a long-standing, anti-governmental predisposition that has permeated the writings of supply-side economists, public choice theorists, the news media, and conservative politicians for many years. Because of such criticism, public agencies are in a constant state of reorganization. The issue of reorganization

brings up questions of how agencies should be structured. In the contemporary post-modern era, it is generally agreed that there is no one best way to construct the administration of public policies. This contingency view is an outgrowth of the debate over top-down, orthodox administration, and bottom-up or democratic administration. Some policy problems such as national defence and law enforcement may require the former, whereas others, such as social service delivery, may require the latter. And still other policy problems may not be effectively addressed through government action at all, reflecting the notion of non-decisions.

The post-modern condition of hyper-pluralism makes it much more difficult to link the theory, practice and evaluation of public policies, despite the presence of greater amount of information and more capable technology to enhance its delivery. This chapter examines, through a discussion of symbolism and inter-subjectivity, how orthodox and unorthodox methods of administration have become more sophisticated theoretically, and what this means for the implementation and evaluation of public policies. A central assumption is that authentic public discourse is vital to achieve any desired policy goal.

SYMBOLISM AND METAPHOR

Much of the study of symbolism and public policy has its origins in sociological theory from the 1960s, in particular Berger and Luckman's (1966) social construction of reality. This notion that 'reality' is consensus-based and not scientifically objective, is a key assumption of those who discuss policy as symbolic or metaphorical, rather than rationalistic. Symbolism, metaphor and consensus are central postulates of discourse theorists. In particular, Deborah Stone (1988) and Gareth Morgan (1997) draw heavily from such an unorthodox view in their portrayals of symbolic and metaphorical politics, as do Fox and Miller (1995) in their discussion of post-modern public administration. But what perhaps is just as interesting is the use of symbolic manipulation to capture and repackage administrative orthodoxy in the form of Osborne and Gaebler's (1992) Reinventing Government and former Vice President Al Gore's National Performance Review in 1993. This movement is the precursor to the contemporary New Public Management movement.

If better communication is a viable alternative to administrative orthodoxy and behaviouralism, then there must be a transition phase from which currently discredited institutions could evolve into newer, more appropriate discursive formations. Before institutions and practices can evolve, however, administrative theory has to evolve in order to provide practitioners with a heuristic. Symbolism and

metaphor are the lang·age of politics, and as such can serve as our guide.

Hannah Arendt (1963) describes how the symbolic metaphor of the ancient polis can be applied to modern politics. 'The Greek polis, the city-state, defined itself explicitly as a way of life that was based exclusively upon persuasion'. Within this context, people were able to realize more fully their individual freedom and take decisive action within the political sphere in order to resolve their collective dilemmas. Phillip Hansen (1993) interprets what he sees as Arendt's metaphor of the polis as a critique of the modern state, which is 'large, bureaucratic and impersonal' and restrictive of a genuine politics. 'It also provides additional grounds for what could be argued as Arendt's attempt to encourage a rethinking of both political institutions and practices, and·our ways of thinking about how we think'.

Cochran (1982) rails against the contemporary, liberal 'paradigm of autonomous individualism', which dominates the public debate in favour of a more communitarian solution, bringing a sense of discipline and ethics to our political use of symbols. He advocates the development of a better societal character and community, and contends that politics can be a facilitator towards the advancement of these goals. His notion of character includes at least two inseparable elements, moral qualities and social roles.

Inherent in Cochran's notion of character is the commitment to take responsible and positive action within society. His definition of community reflects the reciprocity between communion and hospitality, which seems to have been largely forgotten by the West. Communion refers to the shared experiences between individuals, while hospitality refers to a type of mutual generosity. Politics, according to Cochran, is a means through which a greater sense of character and community can be brought to bear upon society in an attempt to draw people closer. When this happens, society will be less fragmented, less alienated and more willing to work together to resolve policy quandaries.

Deborah Stone (*op. cit.*) argues against the assumptions of rational choice, in favour of both a polis and a political community. For Stone, the polis cannot exist without a community, which is defined as an entity that assumes both a collective will and a collective effort. In her polis, there exists a public interest, influence, cooperation and loyalty in the pursuit of solving common problems. Unlike with the assumptions of economic rationalism, perfect information does not exist in the polis. Instead, politics is waged as a battle of symbolism and metaphor.

Statistical numerology, that could be referred to quantitative analysis, is a form of symbolic manipulation. Stone likewise considers raw numbers, descriptive and analytical statistics, words and phrases

as political manifestations, and as such, sufficiently ambiguous to intentionally cause confusion among many political participants and observers. Drawing from Berger and Luckmann (1966), Stone postulates that reality is socially constructed, and that political language and images help to define what is tangible in the polis. Those who reify or define the use of these symbols and metaphors control the political agenda and the tone of the debate. Political reasoning then, according to Stone, 'is always conducted as part of a struggle to control which images of the world govern policy'.

Gareth Morgan (op. cit.) describes how metaphor is the language of politics, of how humans attempt to understand one element of experience in terms of another. Metaphor reduces complexity for the sake of understanding, and can be a deductive shortcut by excluding less relevant factors. Morgan describes at length mechanistic (orthodox) organizations, organic organizations, self-organizing systems, and culture. While many of these forms are socially constructed, metaphor can also be co-opted by orthodoxy. The 'reinventing government' movement and the subsequent policy of downsizing by attrition through the National Performance Review of the Clinton-Gore Administration have also been based on metaphor and post-modern symbolism (Fox, 1996). Negotiation by the polis or community, through socially constructed norms, using the language of metaphor and symbolic manipulation are the bases for public discourse. The question that concerns us now is the inter-subjectivity of discursive phenomena.

THE INTER-SUBJECTIVITY OF PUBLIC DISCOURSE

How can the symbolism and metaphor of politics be reconciled with the objectivity and quantification of performance in public adminis- trative agencies? The answer is that each side must realize the inter- subjective nature of the language they use to communicate. However, this is easier said than done, especially in entrenched institutions, where traditional practice holds more value than current operating rules and procedures, or contemporary political demands. More important than reorganization is the notion that communication must be more open and multi-directional. But this is not always easy to establish, given that information is used as political currency between institutions, and hence, as a means of power in governmental hierarchies and in the budget process. We have to deal with the 'phenomenology' of how to establish and evaluate permanent patterns of public discourse.

As government reacts to new and different policy problems, public agencies are often called upon to substantially alter previous methods of implementing policy solutions. Fox and Miller (op. cit.) have offered a new system that challenges orthodox views of

implementation. They argue that such difficulties can be addressed through a discourse based on sincerity, intentions, engagement and substantive contribution. Utilization of these 'warrants for discourse' is designed to pave the way towards authentic discourse, which is the ultimate ideal goal of Fox and Miller. They feel that authentic discourse facilitates the resolution of public policy demands through bottom-up style negotiation and consensus building, as opposed to administrative orthodoxy, economic rationalism or pluralistic competition. However, at present, public institutions exhibit only nascent tendencies towards authentic discourse. In order to remedy this condition, administrators must alter those recursive practices and orthodox bad habits that currently obstruct discursive tendencies.

A discourse is at a high-level or policy elite level, inclusive of self-regulated discussion about what to do next with regard to complex public policy dilemmas. It is best recognized by its warrants, or licenses to participate (Fox and Miller, *op. cit.*). However, when used as evaluative criteria, the warrants are subject to reliability problems. What this means is that they may suffer from too much subjectivity, resulting in misunderstanding or miscommunication about the meaning of relevant data.

Administrative discourse is built on the idea of politics through negotiation, which has its basis in the preceding body of political science and public administration literature. It is preferable to pluralistic models of competition between entrenched interests or hierarchy because of its emphasis on communication between equals (Wamsley and Wolf, 1996; Farmer, 1995). The one thing discourse advocates have all in common is a desire to attempt the redress of political grievances through negotiation. This feature, along with the transitory nature of discursive formations, is what separates discourse theory from the practice of mechanistic orthodoxy and the contemporary preoccupation with scientific and economic rationalism.

Much discussion regarding the nature and use of public discourse derives from the works of the German philosopher, Jurgen Habermas. The Habermasian notion of discourse is a form of communication that includes validity and an ethic based on values that can be logically criticized and reconstructed depending upon the actions, intentions and experiences of the participants. Discourse is desirable in order to reach a consensus regarding the general interest (Habermas, 1989; Seidman, 1989; Calhoun, 1992). This type of communication is conducted within the context of the 'public sphere,' which according to Craig Calhoun (1992) is where 'practical reason is institutionalized through norms of reasoned discourse in which arguments, not status or traditions, are to be decisive'.

So, making one's case rather than one's institutional position is more important for discourse. Foucault describes the limits or structure of discourse in a similar fashion. Constraints can be either

external or internal, or both. External limits are likely to involve power or jurisdiction. Internal limits include the right to speak with authority, subject to constraints determined by language or vernacular (Zito, 1984; Foucault, 1980). Fox and Miller draw on these notions when articulating their ideal goals for public discourse. Their discourse theory considers that the assumptions upon which Weberian structures and probabilistic bureaucratization are based, are not sufficient for solving today's public problems. Increasingly, hierarchies and one-way communication are seen as impediments to the effective delivery of public goods and services. This has prompted them to construct a new and improved course of action for public officials in an attempt to answer the question 'what do we do next?', when confronted with unexpected or difficult policy dilemmas.

Fox and Miller advocate the development of public forums, for the purpose of addressing public policy demands through negotiation and open communication. For them, this is an attempt to resolve the dilemma between the strong hyper-pluralist tendencies of competing elites and the waning of the macro-culture. The means by which this is to be achieved is through the establishment of permanent patterns of discourse, that is to say, persistent, multi-directional communication that is of a sufficient level to include as many people as possible without degenerating into anarchy. Discourse should take the middle ground between the monologic (single-direction) communication practiced by the governing hierarchies, and the 'anarchic babel' represented by neo-tribal societal factions. However, in order to achieve discourse, we must first join together and seize the agenda from the practitioners of non-discursive communication.

CRITERIA FOR THE EVALUATION OF DISCOURSE

There are several criteria, or warrants with which Fox and Miller assess the authenticity of discourse. These include *sincerity, situation-regarding intentionality, willing attention*, and *substantive contribution*. Sincerity is necessary in order to build bridges of trust between those who would participate in the discourse. Situation-regarding intentionality assures that the discourse will be about something; it could be about contextually situated activities. One's agenda or intentions are designed in relation to the particular context for which the discourse is to take place. Willing attention implies active participation in the discourse. Not only must one maintain an interest in the dialogue, but must also join in from time to time and listen critically and attentively to the arguments of others. Substantive contribution includes providing expertise, ideas, or maintaining the level (authenticity) of discourse by policing the conversation of one's peers.

Who then has a right, or warrant to participate in public

discourse? In an effort to be as democratic as possible, Fox and Miller advocate the involvement of anyone whose intentions are genuine, as long as they are willing to participate with others as equals in the pursuit of the public interest. 'Communication requires equal participants. Unequal communication is oxymoronic; talk between unequals is either command or acquiescence'. Sincerity is important in these situations in order to build trust between participants who, at least initially, may know very little about one another. The participants must also be willingly engaged in the process, providing substantive contributions in accordance with the overall agenda, which is negotiated among the members of the group.

Discourse theory assumes that language, which is used to dominate, exclude, reduce, lie or misrepresent, should be identified for what it is, 'non-discursive', and henceforth be exposed and eliminated. Participants should 'police the discourse' as a way to maintain a certain level of substantive discussion. This is intended to help prevent institutional tendencies from taking over the debate and forcing their agenda upon others. Warrants for discourse then, will be awarded to sincere individuals engaged in the policy process, who wish to participate in public discussions in order to define, formulate and implement substantive decisions for complex public policy dilemmas. But the question still remains: How can the warrants be systematically useful? Sincerity is easily faked. Whether one has hidden agendas is a matter of observer bias or perception. Determining who is engaged in the process is open to interpretation by both participants and observers. Substantive policy solutions submitted by one party may be dismissed as unworkable by another, and so on.

Another problem is that the warrants may not be considered to be universal norms by all groups or individuals. Value differences would tend to perpetuate rather than alleviate post-modern miscommunication. Also, what happens when discourse is not effectively regulated? What if there is no discursive will formation to impose sanctions for misbehaviour, such as shunning or ostracism? When there are no means to shout down the forces of monologic diatribe, democratic compromise breaks down. Gary Wamsley and his Blacksburg disciples (1996) describe administration as an inherently modernist construct. However, the environment in which society finds itself is inherently post-modern. From this point of view, the whole notion of 'post-modern administration' sounds a bit oxymoronic. Wamsley *et al.* deal with this problem by taking a middle position that attempts to reconcile the modern construct of administration and the contemporary post-modern phenomenon of public discourse. They call this position 'high modern.' This is done in an effort to bring administration up to date, in order to reconstitute it and make it useful for addressing contemporary public problems once again.

The author's position is similar. In order to enhance the

legitimacy of post-modern administration, it is useful to give it a modernistic flair (but without backtracking too much toward the modern origins of administration). The argument is that if discourse can be more systematically observed, it is of greater value for addressing post-modern policy dilemmas. If discourse is not systematically observable, then its utility in the public sphere is severely diminished. Discursive practice becomes more difficult because it cannot utilize constructivism or be evaluated. A second reason why systematic evaluation is important is related to reliability. In order to be empirically valid, methods of observation and evaluation must be replicable (King, Keohane and Verba, 1994). Differences in perception may cause differences in observation of the warrants for discourse in practice. In behavioural jargon, this is known as *observer bias*. In order to avoid such confusion, more systematic criteria for identifying and utilizing discourse are helpful, although these do not lead to objective truth.

THE EMPIRICAL REFERENTS OF DISCOURSE

Three 'empirical referents' to help pursue a solution to the problem of inter-subjectivity (Hansen, 1998) could be proposed. These are not intended to replace the warrants, but to complement them. The referents are: (1) *inclusion*, (2) *self-regulation*, and (3) *policy outputs*. The first, *inclusion*, involves who is invited to participate in the discussion. Presumably, the more the actors involved in the discussion, the less it is likely to be controlled by institutional or elite interests, and hence be more authentic. The second referent, *self-regulation*, involves how the discussion is regulated. If the norms, rules and procedures, which structure the discussion are predetermined by policy elites, then the outcomes are likely to be the result of a top-down, unidirectional and undemocratic nature, and hence, anti-discursive. If the discussion is self-regulated by its participants, then it is closer to the ideal. The third referent, *policy outputs*, involves whether the discussion results in action being taken in pursuit of problem solving. A lack of substantive policy outputs indicates that something is wrong with the discourse. Even non-decisions can be considered outputs of discourse, if the participants agree that a problem is not one that can be solved by the government. Policy outputs that result from an inclusive, self-regulated discussion, on the other hand, are likely to illustrate the benefits of discursive administration.

Inclusion

Three criteria can be used to observe the referent of inclusion. They are (1) *coalition building*, (2) *the acceptance of outsiders*, and

(3) *community outreach activities.* Local governments often form coalitions with discursive characteristics in order to gain support and legitimacy for stated economic development initiatives. Community development literature indicates that these coalitions are represen- tative of the community at large, incorporating various political factions, racial groups, business and grassroots interests, and that local government provides the leadership necessary to coagulate these various interests into a workable unit (Stone and Sanders, 1987; Pagano and Bowman, 1995).

A second manifestation of inclusion is the *acceptance of outsiders.* Sabatier and Pelkey (1987) suggest this as a measure for their top- down advocacy coalition theory. For them the outsiders are media elites, interest groups and policy analysts. Though their model is more orthodox, similar participants might also be found in a bottom-up, multi-channeled discussion. For discourse, outsiders might include 'knowledge' in the form of consultants or specialized practitioners brought in for specific implementation purposes. Acceptance of outsiders is a good indication of whether discourse is inclusive with regard to solving highly technical policy dilemmas, as there are often unanticipated difficulties associated with complex problems. Mintzberg's (1994) *ad hocracy* idea is similar in the sense that it requires a certain level of expertise for addressing policy implemen- tation problems. Though some may not approve of the idea of specialization, many specialists gathered together can result in a more general understanding. The general, as opposed to *specialized*, nature of *ad hocracies* make it theoretically possible for many individuals to come and go as needed without the discussion being co-opted by policy 'experts'.

A third indicator of inclusion is the practice of *community outreach activities.* Such activities include, but are not limited to, town meetings, regular media coverage, informative surveys or any other practices that enable or encourage public participation. Town meetings must be set up in such a way as to encourage multi- directional communication and should be held on a regular basis at a consistently accessible location. Town meetings can be evaluated by observing the spatial arrangements of the participants and observers, and the format of the discussion. Seating arrangements, which are more conducive to monologic communication, stifle participation and the normal give-and-take of conversation by rearranging the 'civic space' should be avoided (Domahidy and Gilsinan, 1992; Goodsell, 1988).

Regular media coverage can take the form of periodic newspaper columns or television news stories, the substance of which could be evaluated through a content analysis if one were ambitious enough. The media can also keep the community informed regarding the place and time of public hearings or meetings, rather than simply reporting

the results of the discussion after it has occurred. Informative surveys are a useful tool for gauging public opinion and values. They are also a useful way to increase the polity's level of knowledge and provide the means to seek out the ideas of those who may otherwise be unable to participate in regular discussions due to high information or opportunity costs.

These three indicators of inclusion are conceptually reminiscent of the New Public Administration. According to Frederickson (1996), the New Public Administration is process-oriented and involves the development of 'criteria by which to judge effectiveness'. Peters and Savoie (1996) discuss decentralization and empowerment as essential facets of democratic management. These perspectives are also in favour of public outreach and access mechanisms. In order to make inclusive participation possible however, there must be a greater emphasis on citizenship and public service (Wamsley and Wolf, *op. cit.*; Frederickson, *op. cit.*).

Self-regulation

Self-regulation is an important referent for discourse. In the words of Fox and Miller, if the participatory group or community is not allowed to 'police the discourse' then communication is unequal, hierarchical and non-discursive. There can be no willing engagement if it is coerced. There are three indicators of self-regulation, (1) *democratic selection of leaders*, (2) *negotiation of operating rules and procedures*, and (3) *multi-directional communication*. All three of these indicators are designed to evaluate the level of democratic participation involved in discursive will formation.

The first indicator of self-regulation is the *selection of leadership* by problem-solving committees and sub-committees. This practice, legitimizing street-level or citizen-level decision-making, is often called empowerment (Peters and Savoie, *op. cit.*).

Another indicator is the *negotiation of operating norms*, rules and procedures, which serve to add direction to the conversation. Fox and Miller refer to these as recursive practices, which are needed to establish and maintain discursive patterns of communication.

A third indication of self-regulation is *multi-directional communication*. Again, one way this can be evaluated is through the observation of spatial arrangements at meetings. If people are relegated to an audience, by seating them at other tables or in rows of chairs, they are reduced to the status of passive evaluators rather than active implementers, and are hence not allowed to take part in the discussion or its direction. Other ways to create multiple channels of communication are through the innovation of multiple access points, such as providing toll-free phone and fax numbers, or e-mail addresses. Self-regulation is also reminiscent of the New Public Administration. These practices help to facilitate democratic

participation and citizen involvement in the pursuit of contemporary problems that involve post-modern elements and modern adminis-trative paradoxes (Wamsley and Wolf, *op. cit.*).

Policy Outputs

Finally, policy outputs can be used to measure progress in the problem-solving process. Fox and Miller argue that discourse has to be about what to do next and that substantive contributions must be geared towards this end. The author asserts that 'how to do it' necessarily follows from the discussion on 'what to do next'. However, Fox and Miller make no distinction between policy formulation and implementation. While they posit that policy solutions can be negotiated through politics and that discourse is necessarily about something. The authors argue that discourse is not just about something, but has to be authentic with regard to addressing complex policy problems, it must be specifically about the implementation process.

There are several steps to policy implementation that involve the creation and funding of implementing agencies, the construction of rules and regulations (Cochran, *et al.*, 1993) in addition to the daily activities of policy execution. Regardless of whether these happen sequentially, as modernists would argue, or simultaneously, as post-modernists do, these are distinct activities that comprise the imple-mentation process, and that is the concern here.

James Q. Wilson (1989) argues that every organization must have a task, mission and the autonomy to carry out policy objectives. These criteria can be used to describe the policy output referent, because they are illustrative of specific actions. For the purposes of this work, if there are policy outputs (in the presence of the other two referents), which address a specific, previously defined policy problem, and if they are carried out within a reasonable period of time, then they serve to illustrate whether substantive contributions have been made in the pursuit of discourse. If solutions are not negotiated within a certain amount of time, this may be indicative of hidden agendas, stonewalling, poor organization or incompetence, and serve to indicate that there are problems somewhere in the process.

It should be kept in mind that while policy outputs are necessary for discourse to be effective, when taken by themselves they are not sufficient indicators, because they are not unique to discourse. Policy outputs that serve to measure implementation activity may include organizational development, funding, completed strategic plans and their actual execution. Such activities are not exclusively discursive, as are 'inclusion' or 'self-regulation', but they serve to illustrate the authenticity of discourse through the demonstration of tangible action.

Conversely, the lack of discursive behaviour can also be operationalized through the observation of exclusion, orthodoxy and

the lack of policy outputs geared towards problem-solving. Exclusion is exemplified through elite control, refusal to include outsiders, and an unwillingness to reach out to the community. Orthodoxy is most easily defined by the practices of appointing officials to a hierarchical and unidirectional communication system. A paucity of policy outputs such as organizational development, adequate funding, strategic planning and implementation activity can be noted by their absence, or by the presence of the very antitheses of discourse—litigation and/or post-modern cognitive dissonance. Again, it should be kept in mind that policy outputs are a necessary condition of discourse, but are not sufficient to indicate its practice.

A danger of empiricizing discourse, as Orion White (1998) and Hugh Miller (1998) have pointed out in the critique of the author's argument, is that scientific methodology, the tool of administrative orthodoxy, may co-opt or subvert the democratic spirit of discursive administration. Indeed, this may be happening in some places where discourse has become overly empirical. In particular, the author is referring to the comeback in popularity of the matrix organization. Whereas, without a systematic means to evaluate discourse, such as with the warrants or empirical referents, there may be too much subjectivity, the converse is also apparent if there is too much of an emphasis on objectivity.

While administrative matrices are typically representative and participation-based, they are not always democratic due to the high level of structure and emphasis on technology to bridge the gap between government and citizens. Often this communication appears to be unidirectional. Such a structure would have obvious top-down tendencies. This may be a problem when discourse exceeds a critical mass of participants, and hence be an artifact of large group dynamics.

Despite the normative democratic values of discourse, there is a huge problem trying to get large numbers of people to agree on problems, solutions and implementation. Bryson and Anderson (2000) discuss the use of large group interaction methods as a way to focus the public interest on accomplishing policy goals. They identify seven different variants of this process, all of which exhibit the common-alities of large-scale participation, strategic planning, accelerated implementation, and group facilitation. While there are obvious democratic advantages to focused discussion, the actual level of democratic legitimacy is questionable due to the heavy reliance on the orthodox values of over-structure and methodology. Bryson and Anderson assert that these large group methods will take over the way business is conducted in the public and non-profit sectors and also make the observation that there is a heavy reliance on facilitation, which has yet to be adequately analyzed by academics. On the surface, it seems that facilitation could be just another way in which discourse is co-opted from the top-down.

Another view of the matrix attempts to utilize public discourse as a means of humanizing policy analysis. The best one of these matrix views of public participation, if there can be such a thing, is by Edward Weeks (2000) who argues that a large number, as much as 400,000 participants, can succeed at constructing a discursive will formation. Besides the use of social science research methodology, broad citizens' participation, informed public judgment and democratic deliberation are used to attain credible results. He compares four community dialogues in western cities to substantiate how the process works. He is upfront about its limitations, arguing that deliberation is most effective in situations 'where the issue is critical, the political process is deadlocked, and there remains sufficient time to complete a year-long public process'.

CONCLUDING OBSERVATIONS

While admirable, the attempts at 'virtual democracy', highlighted here, are probably not discourse in the purest sense because of the strict need for organizational structure. Kalu (2001) argues in his critique of technocratic administration that there is an inherent danger that such methods can overwhelm core societal and administrative values. While citizens' participation can help to reincorporate core democratic values into public discourse, there is the threat of subversion by the empirical forces of technocracy, as Orion White (1998) would say. Might there not be a middle ground? Hugh Miller (1998) provides for a way to recognize that methodology does not lead to objective truth in discourse, or even social science. It has been put forth that the middle ground, although, can be realized through an acceptance of subjective interpretism. Rather than objectivity, understanding based on our experiences, emotions and language is how we reach consensus in politics. 'Truth cannot stand alone; humans are complicit in its creation. Humans are able to break with tradition, criticize it, dissolve it, and indeed, remake the real, according to our purposes'. The realization, and perhaps more importantly, the agreement that data and methods of evaluation are at best inter-subjective, is the best we can do without distorting the authenticity of discourse.

While there are those, such as White (1998) who frown on the use of systematic means such as the warrants or the referents for evaluating discourse, as long as their use is understood to be inter-subjective and open to interpretation, there is no danger of subverting the discussion. In fact, as a means to recognize the use of inter-subjectivity in administrative discourse, perhaps another warrant or referent could be used to signify this realization (without co-opting it). Such a tool would have to emphasize meaning, understanding and agreement. Inter-subjectivity would be used in discussions for

purposes of clarification when participants ask, 'what do you mean by that?' or 'what are the implications of such a course of action?' Understanding the value of meaning, and coming to an agreement can be observed directly by participant-observation, or somewhat more indirectly through policy outputs, such as verbal agreements, written contracts, memoranda of understanding, and the like.

To sum up, the phenomenon of the discourse movement is useful for examining the inter-subjective and symbolic nature of post-modern politics and administration. To the extent that public debate is focused on what to do next and how to do it, such practices influence the structure, resource allocation and actions of bureaucracies. What then does this mean for reorganization? Current trends toward flatter hierarchies and policy networks are likely to continue. However, the resurgence of administrative orthodoxy is always a threat. It is tough to break the cycle of inertia and tradition in organizations. But informal organizational culture always seems to find a way to change formal structure. If the trend in favour of public discourse and democracy continues, this should eventually lead to reorganization in pursuit of the ideal type. Of course, the ideal organization is itself an inter-subjective concept.

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Understanding the Dimensions of Uncertainty in Public Administration

— JEFFERY A. WEBER

The historical development of public administration, regardless of which nation is considered, is a continuous tale of the struggle to control resources and events in order to accomplish some political purpose. The self-conscious study of public administration, has varied depending on which nation, or even civilization one is considering. Interestingly, despite the rich history of disciplinary development, public administration tends to view self-actualization as a relatively recent phenomenon; of just the past 100 to 200 years. A simplistic, sweeping, and possibly unjust overview of the intellectual development of public administration, would be that it began as a set of vocational skills and techniques and progressed over the centuries to the development of theories and models of explanation. Consequently, students of public administration learn not only specific skills and techniques, such as accounting, decision-making, or policy analysis; but also theories of bureaucracy, leadership, and sustainable development.

KEY CONCEPTS IN PUBLIC ADMINISTRATION

Throughout the centuries of its development, there have been several overarching key concepts in public administration regardless of historical period or culture. The first key concept is *rationality* (Schreurs, 2002). Within public administration, the concept of rationality has been applied to bureaucracy (Weber, 1972); organizations (Harmon and Meyer, 1986); decision-making (Simon, 1947, 1957, 1965); and to any type of administrative action (Waldo, 1955; Simon,

1947; White, 1926, 1955). There exists two major categories of rationality, which were first identified by Max Weber (1947). The first is 'purpose rationality', which implies rationality in the establishment of goals and direction of the administrative state. The second is 'process rationality', which some have called instrumental or technical rationality. It concerns the functions of the various organizations, which also comprise the administrative state and the methods by which these functions are carried out.

The second key concept is *effectiveness*, which implies the accomplishment of the goals or objectives to the standard desired (Waldo, *op. cit.*). The effectiveness, or the lack of effectiveness of an administrative system is an often repeated refine by the public in general, the administrators, and the political leaders. The elusive desire for effectiveness has served as the genesis for numerous governmental reform plans and restructuring ideas, and also as performance measurement systems. The assumption is that one can control the administrative system and establish valid and reliable measurements of the progress of its goals or objectives.

Likewise, as governments have sought effectiveness, they have also endeavoured to be efficient, which is the third key concept. *Efficiency* refers to the ability to accomplish administrative tasks at the lowest cost possible, and in the least amount of time. It goes hand-in-hand with effectiveness in that it requires that the administrative state must accomplish the stated goals and objectives. As with effectiveness, efficiency implies that one is able to measure the cost and time expended in accomplishing the objective, and ascertain the extent of its implementation.

Given the formal and informal power of the administrative state, there has been the desire that while it is seeking to be effective and efficient, it should also be accountable to the political leaders, constituents, regulations/statutes (Rosenbloom, 2000), and also to certain ethical standards (Adams, 1998). The concept of *accountability* means that there is a level of trust, which the administrative system is seeking to maintain or achieve. Additionally, it means that if that trust is broken, the interested parties have some form of remedial action that can be taken to hold the administrative system accountable.

These key concepts within public administration have somehow developed under an unstated assumption that it is possible to achieve a sufficient amount of certainty for realizing them. Each of these concepts have operated as if it were possible to actually control behaviour, processes, and events, which implies the ability to predict the consequences of courses of action. The history of public administration, however, has shown the inability of administrative systems to achieve control over the complex and chaotic events in which they operate. There seems to be an unrealistic expectation as to the ability

to know and understand what has occurred, what is occurring, and to use that data and information to project what will occur.

Public administration seems to have a tendency to operate as if it has a high degree of certainty, while the reality is that it operates in a high degree of uncertainty. Consequently, uncertainty is an overarching concept in public administration; overarching in the sense that it pertains to each of the four key concepts: rationality, effectiveness, efficiency, and accountability. The problem is that public administration has failed to address the concept of uncertainty, and has instead relegated it to an occasional impediment, which interferes with proper public administration. The concept of uncertainty has to be recognized as a cardinal aspect of public administration. Uncertainty is a characteristic inherent in the very nature of human existence. Also, uncertainty is an aspect of our epistemology. Uncertainty has been viewed as something public administration must overcome through better knowledge, methods, techniques, or technology.

Consequently, public administration, regardless of where it is practiced, continually finds itself falling short of its goals; and constantly being assessed with the belief that with a little more of effort, certainty can be achieved. Understanding uncertainty is essential because governments spend huge amounts of money and thousands of work hours in the pursuit of certainty. Hundreds of policies and programmes are pursued in a manner, which pre-ordains their failure, because of the mistaken belief that they are based on facts, when in actuality, they are based on speculation with a high degree of uncertainty. There is a need for the recognition of the fact that uncertainty is not only epistemological, but also metaphysical, something which public administration can never overcome. Therefore, public administration should adopt long-term vision, short-range actions, plus a wide range of options and flexibility to adapt to unexpected and changing situations.

EPISTEMOLOGICAL AND METAPHYSICAL DIMENSIONS OF UNCERTAINTY

Epistemological

As per the Oxford Dictionary (1989), uncertainty is defined as: 'not having sure knowledge; a state of being in doubt; and subject to unpredictable change'. This definition pertains to the epistemological aspect of uncertainty in that it focuses on an actor's ability to acquire knowledge about something. Epistemology literally means the 'science of knowledge'. Overall, epistemology is concerned with how we accumulate knowledge and what is its influence on human action (Cunningham, 1930). There have been four identified causes of

epistemological uncertainty: (1) bounded rationality (Simon, 1976); (2) measurement error (Stigler, 1986); (3) perceptual interpretation (Nutt, 1989); and (4) communication barriers (Koller and Wicklund, 1993).

Bounded Rationality

Herbert Simon is known for identifying and defining the concept of 'bounded rationality.' Simon envisioned rationality as being bounded on three sides: 'On one side, the individual is limited by those skills, habits, and reflexes, which are no longer in the realm of the conscious. On the second side, the individual is limited by his values and those conceptions of purposes, which influence him in making his decisions. On the third side, the individual is limited by the extent of his knowledge of things.' Each of the three sides of bounded rationality, deal with a part of epistemology because they limit the process of gathering and interpreting information. These limitations prevent one from being absolutely rational. Therefore, one's rationality is bounded by these limitations. The very term 'bounded rationality' implies uncertainty in overcoming these bounds.

Measurement Error

Measurement error has long been viewed as a manifestation of uncertainty, and has found its home in statistics. Statistics is 'the measurement of uncertainty' (Stigler, *op. cit.*). Measurement is the specific process of assigning a value on a scale to a person, attitude, or thing, so that it can be compared and analyzed. There are two types of measurement scales: qualitative (non-metric) and quantitative (metric). Qualitative scales are attributes, characteristics, and categories. Nominal (attributes) and ordinal (placing in order) are two types of non-metric scales (Hair, *et al.*, 1995).

Quantitative scales 'reflect relative quantity'. Interval and ratio are two different types of metric scales. Both have 'constant units of measurement, so that differences between adjacent points on any part of the scale are equal'. The difference is that an interval scale has an arbitrary zero point, while a ratio scale has an 'absolute zero' point. One form of measurement error is the inability of the scales to measure accurately that which is being measured, thereby producing uncertainty as to the accuracy of the results of an analysis. Another form of measurement error is the distance between predicted values and actual values. Here, the uncertainty is defined as the distance between these values.

Perceptual Interpretation

Perceptual interpretation is another area of epistemological uncertainty. Here, the accuracy of our perceptions is called into question

(Nutt, *op. cit.*; and, Baron, 1994). Our perceptions have been shown to be selective in terms of what information is deemed relevant (Nutt, *op. cit.*). Because of the vast amount of information that our mind is exposed to, our perceptions act as a filtering device. Perceptions are also influenced by our five senses (Simon and Newell, 1971; and Wilson, 1998). An example of this would be how one's culture and heritage influences one's perception of what is proper. Therefore, perceptions introduce uncertainty into one's interpretation of events or objects.

Communication Barriers

Interpretation of other people's communication and barriers to communication can also produce uncertainty (Koller and Wicklund, *op. cit.*). Words, inflections in voice, and body language can be interpreted differently by people. Furthermore, language, ability to pay attention, and the demands of a situation can all act as barriers to communication. Our biases can also affect how we interpret the information we receive, and how we communicate it to others (Nutt, *op. cit.*).

Metaphysical

Metaphysics is the branch of philosophy pertaining to 'the study of ultimate reality' and the nature of existence (Van Inwagen, 1993). John Dewey (1929) has stated that one cannot ignore 'the reality of the uncertain in the ongoing process of nature'. In other words, Dewey believes that existence possesses uncertainty, separate and distinct from any individual. Dewey is not alone in this belief, but he does represent a minority. Recent philosophical thought has broken metaphysics into two primary areas of study[1] (Ando, 1974): (1) ontology, the study of the nature of being; and, (2) cosmology, the study of the nature of origins, processes, and structures of existence.

Ontological Uncertainty

Ontology is the study of the nature of being (Van Inwagen, *op. cit.*). A basic argument in ontology is: 'A' has certain characteristics, which are necessary for 'A' to be 'A.' (Van Inwagen, *op. cit.*; Peikoff, 1993). Thus, a 'human' has certain characteristics, a certain nature of being,

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1. Metaphysics, as a branch of philosophy, has involved many different areas of study. Aristotle called Metaphysics the study of the "first principles of things" (Ando, 1973:3). Metaphysics has included the study of the nature of ontology, theology, psychology, physics, and cosmology. Though theology is sometimes considered a part of Metaphysics, it is generally considered a separate area of study, as psychology and physics (Ando, 1974:4–39). Ontology and cosmology still persist as the primary branches of Metaphysics, because in and of themselves they involve the study of being (i.e., of existence) (Ando, *op. cit.*: 38–39).

in order for a "human" to be 'human.' It has been argued that uncertainty is a necessary characteristic of human nature. If human nature did not have uncertainty, then it would change human nature to the point where it would no longer be human nature (Von Mises, 1948). Human nature requires decisions and without uncertainty, there would no longer be a need for decisions (Von Mises, *op. cit.*; and Simon, 1980).

If there was no uncertainty, then we would never have to make a decision because we would then be omniscient. Because of ontological uncertainty, regardless of how much information we possess, decisions still produce fears, concerns, expectations, and inquisitiveness over what is occurring, or what may occur. Uncertainty may spur us into action, or prevent us from acting (Stace, 1932, Von Mises, *op. cit.*; and Simon, 1980).

Cosmological Uncertainty

Cosmology is the study of the nature of origins, processes, and structures of existence[2] (Van Inwagen, *op. cit.*). Cosmological uncertainty has been considered apart from the structure and process of existence (Heisenberg, 1930). Explanations of existence have changed from the simple, orderly, and predictable, to the complex, chaotic, and limited predictability (Gleick, 1987; and Hawking, 1988). Two major areas in cosmology, which reflect these changes in the view of existence, are the General Theory of Relativity and Quantum Mechanics (Hawking, *op. cit.*). Since these concepts fall in the domain of sciences, a brief discussion on these would suffice our objective of understanding the concept of uncertainty in public administration.

General Theory of Relativity

The General Theory of Relativity dramatically changed the traditional perception of existence, which for 350 years had been based on Newton's Laws. Cosmological uncertainty is implied in the General Theory of Relativity's concept of space-time. Space-time is the recognition that, 'time is not completely separate and independent from space, but is combined with it'. Events, including the creation of the universe, can be recorded in four coordinates, three spatial and one temporal. One does not know of the event until one perceives the event's occurrence, and this occurs only after the event, therefore what one perceives is not the present, but the past. Consequently, one is never certain if the representation being seen is the actual event or an altered image of the event. Thus, uncertainty is a part of all

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2. Cosmology is viewed as a branch of philosophy. Sometimes cosmology has been defined in just astronomical terms, which in other words is the study of the origins and structure of the universe. Cosmology, though, is a broader term, which studies the origins and structure of existence (Van Inwagen, 1993:100–118).

representations that we see. The curvature of space-time prevents us from perceiving the event as it truly is, because it will appear to be in a different position and it may affect other attributes that we observe (Hawking, op. cit.).

Quantum Mechanics

Quantum Mechanics is the 'theory developed from Planck's quantum principle and Heisenberg's uncertainty principle'[3] Heisenberg's 'uncertainty principle' has explicitly established uncertainty as 'a fundamental, inescapable property of the world' He sought to predict the future position of a particle He found that the more accurately one measures the position of a particle, the greater the change in the particle's velocity Similarly, the more accurately one measures the particle's velocity, the greater the change in the particle's position Thus, one can never accurately measure the present state of the particle, therefore, one could not exactly predict its future state Thus, uncertainty is a 'fundamental principle' of existence (Hawking, op. cit.)

IMPLICATIONS FOR PUBLIC ADMINISTRATION

Uncertainty Constant

If uncertainty is a part of existence and our very nature, then there should be an amount of uncertainty, which always exists, or in other words, there has to be an uncertainty constant. An uncertainty constant could be defined as the uncertainty, which is not possible for an actor to overcome, despite any advances in knowledge or technology. An uncertainty constant is bounded by the extent of existence, which humanity has no ability to know about. Existence being defined as the aggregate of every event that has occurred since the start of existence. Not being able to define the boundary, or the start of existence, makes it impossible to define the full extent of uncertainty. Consequently, while one may be able to achieve a level of certainty within a given context, an uncertainty constant implies that there is always something that one is unable to know and therefore cannot take into consideration.

Having postulated an uncertainty constant as existing, the best that we can seek to achieve is to define the place where it begins. The place where the uncertainty constant begins could be the point where all uncertainty, which could possibly change into certainty has been transformed The difficulty in identifying the uncertainty constant lies

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3 Max Planck's quantum principle is 'the idea that light (or any classical waves) can be emitted or absorbed only in discrete quanta, whose energy is proportional to their frequency' Heisenberg's Uncertainty Principle says that 'one can never be sure of both the position and the velocity of a particle' (Hawking, 1988 186–187)

in determining whether one has reached the uncertainty constant or one has only encountered a current uncertainty barrier based on technology, information, and ability.

The implications of an uncertainty constant for public administration are immense in that it impacts the discipline's most basic assumptions of decision-making, strategic planning, budget fore-casting, and influencing future organizational behaviour. Presently, public administration assumes that it is possible to develop reasonable projections into the future in order to determine a course of action, or plan out a project, or develop a future budget. The extent to which public administration relies on such projections are easily seen in the day-to-day operations of most bureaucracies. For example in budgeting, the future costs are projected simply based on present data, possibly modified by a simple cost adjustment or a complex econometric model.

When one considers the huge amount of money and resources that are shifted or committed to policies based on projections into the future, and the constant changes demanded of the policies due to the consistent failures of the projections, one realizes the significance of uncertainty. Recognizing an uncertainty constant, would assist public administration to move away from the usual 'rationalism'. One method of coping with uncertainty is to recognize that we will need to bound the uncertainty in any given situation.

Bounded Uncertainty

It has been recognized that an actor's rationality is bounded in the actor's ability to deal with different situations (Simon, 1976). Bounded rationality, as previously explained, limits an actor's ability to be certain. Additionally, if actors were to attempt to identify everything that they were uncertain about, they would be overwhelmed with doubt and unable to make decisions. Consequently, actors, in order to cope with any situation, must bound the uncertainty they are willing to recognize. The boundaries that are placed on uncertainty in any given situation are: (1) the amount of information that the actor chooses to consider; (2) the length of time one chooses to consider; and (3) the amount of possible future interactions that are projected.

Any given subject that an actor considers consists of a certain amount of information. Some of the information is readily accessible to the actor, while some other can become available if means of accessing it can be determined. Yet there still would be more information, an unknown amount, which cannot be accessed. In some situations, even the amount of information, which is accessible could be overwhelming. Consequently, the actor may decide to focus on some of the information and ignore the other. This leads to bound one's uncertainty because the actor uses the information to make a decision, all the while pretending that the information he/she has is

complete and accurate. In any given situation, an actor will choose to address or cope with only a certain number of variables. Mechanisms for limiting the number of variables with which to deal include the use of heuristic devices, experience, or expert opinion.

Uncertainty Cycle

Uncertainty is a result of: (1) the difference between the amount of data, which comprises the situation and the amount of data accessible to be searched; (2) the variance between the amount of data accessible to be gathered and the amount of data gathered; (3) the distinction between the data at the time it is gathered and the data at the time it is integrated by the organization; and (4) the amount of time between the integration of the data and the point when the organization acts on the same.

Every situation comprises a certain amount of data. Some of the data is accessible while some are not, therefore an actor, even before he/she begins to attempt to understand a situation, already has an amount of uncertainty because, some of the data of the situation is inaccessible. This is a starting point of the uncertainty constant. Next, given the amount of accessible data, an actor only searches a portion of that data, thereby further limiting the amount of data, which will be gathered. The search may be limited due to the time available to the actor for conducting the search, or possibly due to technology limitations, or even because the actor is unaware that the data is accessible. Thus, only a subset of the accessible data is actually searched and the actor gathers the subset that is searched. This occurs because in the search process, the actor may come upon data, but discard them because they are not important enough to be retained, or because they would consume too much resources and time.

Once the data is gathered, the actor compiles the data, which may result in a distortion of the data. During the compiling process, the actor interprets the gathered data. This interpretation may alter the data from its original state of when it was gathered. Consequently, the data may assume a slightly different meaning or significance than the original. The actor takes this interpreted data and integrates it with his/her existent knowledge. This act of integration further distorts the original data, because the very act of taking a portion of the data and combining it with other data will give the data a different meaning and significance than it originally had. Finally, at some point, the actor acts upon the data. The translation of integrated data into action also introduces uncertainty because the data must be interpreted into some physical form of action. The time lag between assessing and actually acting upon the information may introduce further uncertainty, because the actor may not be responding to the situation as it currently is, but may be taking into view the past situation.

CONCLUDING OBSERVATIONS

In the present context, the concept of uncertainty has become pertinent to public administration. Seminal work of Herbert Simon on 'Satisficing Decisions' and also of the proponents of 'Chaos Theory' could come in handy for understanding the concept of uncertainty in public administration. In conclusion, we can say that uncertainty needs to be understood as a metaphysical and an epistemological concept. The uncertainty constant, which should be considered by administrators during planning, could lead to ways to bound uncertainty. This may result in an understanding that the implications for those in public administration can be illustrated in the example of an actor dealing with a situation, which is full of uncertainty.

As a key concept, our understanding of uncertainty and how to operationalize it as a concept should be seen as one of the more important tasks facing public administration. For decades, public administration has operated on the basis of rationality as being the 'leading social construct to describe and justify our understanding of the world around us' (Ventriss, 2002). Uncertainty has been overlooked as an underlying social construct that is ever present with rationality. Thus, rationality, as a concept, has been developed and considered from numerous perspectives while uncertainty has been primarily relegated to the realm of statistics and probabilities.

The concept of uncertainty is critical to public administration, both in theory and in daily administrative operations. Given the complexity and the chaos of the current public administration environment, the development of techniques and methods of coping with uncertainty would enhance the ability of administrative systems to adapt to varying situations. Uncertainty as a concept, therefore, needs to be developed theoretically and operationally in order to fully assess its influence on administrative programmes and policies, and also to develop suitable changes.

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Public Choice Theory: Government in the New Right Perspective

— Mohit Bhattacharya

The role of the state, as it functions through formal government machinery, has been a subject of heated discussion in recent times. Whatever be the nuances of the debate, the fact remains that there is a search now going on for alternative/supplementary ways of collective problem-solving, and the monopolist role of government is under seige. In the 1980s, emerged a new political philosophy known as the New Right ideology, which championed the cause of the free market and called for a significant reduction in the size and role of government in society. Although the advocacy has generally been in favour of a greater role for the market and lesser role for the state, the New Right has within it a neo-liberal wing and a neo-conservative wing. The former has been primarily concerned with the promotion of individual liberty and the latter with the restoration of traditional values.

THE NEW RIGHT APPROACHES

Four main schools of New Right are Chicago, Austrian, Public Choice, and Supply Side. As the chief critic of the Keynesian economic ideas that dominated the post-war era until the mid-1970s, Milton Friedman has been the most prominent of the Chicago school economists. Their main argument has been that empirical analysis of the consequences of government actions clearly establishes that the market is more effective than the government in achieving social goals. Friedman has had a major impact on the study of economics as such. The political facet of his work is the conceptualization of the

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legitimate role of government, which is very much based on the doctrine of limited government propounded in the past by Adam Smith.

Friedman has identified four areas of legitimate government activity: the protection of individuals from external coercion; the administration of justice; the provision of public goods and the settling of some problems arising from neighbourhood effects; and the protection of the irresponsible such as the mentally challenged and children. He was aware of the fact that special interest groups wanting government intervention in their favour exerted excessive influence on the political process. Money supply which, in his view, was the cause of inflation, could be solved by non-discretionary monetary rules. He also subscribed to the idea of Constitutional reform to provide limited government.

The Austrian school represented by, among others, Carl Manger, Friedrich Hayek and Ludwig Von Mises, has also been free-market-oriented, though taking a much more principled stand in favour of the doctrine of *laissez-faire*. We will be focusing on the thoughts of Hayek who has been the most influential Austrian with his wide-ranging contribution to political philosophy, economics and scientific methodology. Three distinguishing features of Austrian economics are:

1. Social science is the study of purposeful human action;
2. Only individuals are the appropriate unit for study (methodological individualism); and
3. Value is 'in the eye of the beholder' (subjective theory of value).

Austrian social science has developed as the study of the purpose and consequences of human action, with the object of identifying the goals underlying human action and examining whether those actions serve to achieve their goals. Relevant writings of Hayek, for our limited purpose, are *The Road to Serfdom* (1944), *The Constitution of Liberty* (1960), *Law, Legislation and Liberty* (1973), and *The Fatal Illusion* (1989). Certain constant themes in his thought are:

(i) Society is a spontaneous order; as evolved, spontaneous order is to be preferred to a planned society;

(ii) Liberty has instrumental values because it makes best use of widely dispersed knowledge and provides for the unpredictable growth of knowledge, allowing individuals to experiment with new ideas and techniques;

(iii) Socialism is undemocratic and impossible. What will be produced is determined by a few and not only by the mass of consumers. There is no agreed common purpose in society. The recognition of private property or the rules of contract exist to enable individuals to pursue their own goals, and not to achieve common goals. As regards planning, socialist

planning has no way of predicating consumer demand without the role of prices. Without market prices, the planner does not know what to produce and at what cost.

(iv) One of Hayek's controversial arguments has been that the concept of social justice is meaningless. As a principle of state action, social or distributive justice requires agreement on 'who deserves what' and the existence of sufficient power in the hands of the state to determine it. It is implied that some concept of merit should be the determinant of the distribution of goods and income. But at the same time in society, everyone has a different view of merit. In a free society, there is no consensus on what would be the correct distribution of goods.

Again, when the state assumes the role of the decider to determine who gets what, whoever controls the state would determine what they think the people deserve. Income distribution policy would be determined not by the ability to satisfy consumers but by political influence. In such a situation, government becomes a scramble between the interest groups for influence over the political allocation of income. In Hayek's view, justice is procedural. Just rules of income would ensure the stability of possession, transfer by consent and the keeping of promises. The distribution of income that results from these rules is not the legitimate concern of government in free society.

Hayek became interested in the establishment of the principles of a liberal Constitution in which the role of government 'is to create a framework within which individuals and groups can successfully pursue their respective ends, and sometimes to use its coercive power of raising revenue to provide services for which, for one reason or another, the market cannot supply'. Elected politicians, in his view, have increasingly come under the influence of interest groups who use political power for their own narrow purposes. Hayek has therefore been in search of principles that would ensure that the state's activities did not go beyond certain limits.

Supply side economics needs a separate treatment. All that can be noted in our context is that it is based on neo-classical micro-economic theory and one of its main perspectives for growth is reduction in interest rate.

THE PUBLIC CHOICE DEBATE

We now examine in detail, the *public choice* debate. The thesis of limited government reaches its apogee in public choice, which is a theory of politics, sometimes called 'The economics of politics'. Political behaviour is sought to be explained and predicted on the assumption that political actors are 'utility maximizers' who seek to promote their

own self-interest. This is diametrically opposite to theories, which view politics as the pursuit of public interest. Most public choice writers converge on the main point that government has grown much larger than what the general public wishes it to be, because it has grown to meet the preferences of politicians, bureaucrats and interest groups.

The Virginia school of public choice started an intellectual tirade against the nature of politics and the essence of bureaucracy. James Buchanan has drawn attention to the misfortunes of modern political life in the welfare state. In his view 'the basic structure of property rights is now threatened more seriously than at any period in the two-century history of the United States'. Again, as he argues, *Government failure* against standard efficiency norms may be demonstrated analytically and empirically, but I see no basis for the faith that such demonstration will magically produce institutional reform. I come back to Constitutional revolution as the only attractive alternative to the scenario that we have seen bent to act out'. In almost similar vein, Gordon Tullock has opined: 'We are saddled with a large and basically inefficient bureaucracy. Improved efficiency in this sector could, looking at the matter economically, raise our national income and improve our rate of growth. Politically, it could both increase the degree of control the citizen, *qua voter*, has over many fields of our national life and enlarge his personal freedom'.

The Virginia school thus has its unique interpretation of advanced societies with liberal democratic Constitutions, and their thrust is toward the rejection of the welfare state. In this view, the public sector has been suffering from inherent systemic failure in terms of policy-making and implementation, and political failure is being more acutely felt than market failure. The public choice *prima facie* emerges almost as a science of political failure—a right-wing perspective on the public sector. In his authoritative interpretation, Mueller has sought to present an apparently value-neutral definition of public choice: 'Public choice can be defined as the economics of non-market decision-making or simply the application of economics to political science. The subject matter of public choice is the same as that of political science: the theory of the state, voting rules, voter behaviour, party politics, the bureaucracy, and so on. The methodology of public choice is that of economics, however'.

The Mueller formulation seems ethically neutral and does not imply that public choice is the science of the public sector as social misfortune. The Virginian version of the public choice approach has two underlying epistemological commitments:

(i) Public sector actors behave as if they maximize their own interests, and
(ii) All social entities are fundamentally sets of individual actors.

As Buchanan writes, 'The basic units are choosing units, acting, behaving persons rather than organic units such as parties, provinces, or nations'. Also, 'Persons seek to maximize their own utilities, and ... their own narrowly defined economic well-being is an important component of these utilities'.

The Wicksellian State Theory

The doctrine of methodological individualism and the model of self-interest-maximizing behaviour together seek to explain the structure of the public sector and the motivation of public action. Based on these two fundamental assumptions, the Virginian version of the public choice approach represents a positive theory of the public sector. Additionally, in this version there is a normative theory of the state, which is a straight-forward right-wing ideology of a neo-liberal kind vehemently opposed to the welfare state. The foundation of this normative approach can be traced to the elements of a state theory proposed by Knut Wicksell in 1796 in 'A New Principle of Just Taxation'. The Wicksellian state ideology contains a special decision rule for policy-making: the unanimity rule.

Considerations of efficiency in taxation are at the heart of the Wicksellian state theory, which pleads strongly for a *quid pro quo* rule on an individual basis. The efficiency criterion is premised on the citizen's ability to balance the value and cost of an item on the state budget at the marginal. 'Equating marginal value with marginal cost may be accomplished by means of the benefit approach to taxation as long as we do not face public goods'. In relation to the 'free-rider' problem, the only mechanism that will guarantee optimal taxation for public goods provision is the unanimity rule or the individual veto principle in a legislative context.

Buchanan's Normative Rules

Following the Wicksellian decision principle, Buchanan has derived two normative rules which are, in his view, constitutive of the public choice approach: (a) *politics as exchange*, and (b) *economic Constitutionalism* or contractarianism as the basis of public policy making. The first normative rule—politics as exchange—means that every public policy must be based on the consent of all citizens. It is an application of Wicksellian unanimity rule to politics. To quote Buchanan, 'In the absence of individual interest, there is no interest'. By definition, therefore, politics does not entertain any idea of the common good. Just policies are those that meet with the unanimous consent from individual citizens.

The second normative principle of Constitutional economics is a mechanism for the expression of political criticism. As Buchanan

writes: 'Existing Constitutions or structures or rules, are the subject of critical scrutiny. The conjectural question becomes: could these rules have emerged from agreement by participants in an authentic Constitutional convention'. In the absence of any system of Constitutional revisions on a permanent basis, it is a matter of conjecture as to what would be acceptable to the citizens, had they been in a Constitutional setting. The public choice approach forbids all evaluative exercises (in respect of public policies) except those based on the unanimity principle. Again, in Buchanan's language: 'There is no criterion through which policy may be directly evaluated. An indirect evaluation may be based on some measure of the degree to which the political process facilitates the translation of expressed individual preferences into observed political outcomes. The focus of evaluative attention becomes the process itself, as contrasted with end-state or outcome patterns'.

An Alternative Model

Basically what the public choice proponents seek to do is to point out inconsistencies in the classical model of representative democracy and to suggest an alternative basis for decision-making in government or 'public choice'. Peter Self, in a brilliant summing up of the shifting positions taken by the public choice theorists from time to time, points out that the Buchanan-Tullock combination has mounted a frontal attack on any idealist theory of politics. On the assumption of political individualism or egoism of an instrumentally rational type, the conventional myths surrounding the public spiritedness of bureaucrats and politicians have been exploded, and 'we are back in Bentham's world of conflicting egoisms but without Bentham's assumption that democracy would solve the problem'.

Tracing the evolution of public choice thought, Peter Self observes, 'the writings of the public choice school have been (also) relatively mild and optimistic at first'. Anthony Down's path-breaking *An Economic Theory of Democracy* (1957) reached the fairly comfortable conclusion that there were sound reasons of rational egoism for voters to trust their representatives with considerable discretion, and for parties to satisfy the median preferences of voters. The Buchanan and Tullock, *The Calculus of Consent* (1962) has been concerned with the design of an ideal Constitution, which could establish a satisfactory trade-off between the rational individual's requirements for public goods and the injury to his interests from state coercion. One can contrast these earlier works with the increasing black picture of political and bureaucratic perversions painted by Tullock (1965), Niskanen (1971), Ostrom (1973), Breton (1974) and others.

The central issue in public choice is how to limit government and

to check the natural tendency for over government. One favoured strategy has been to bring about Constitutional reforms placing limits on government growth. Another strategy is to reduce the influence of interest groups on government policy. Still another strategy is to decentralize political power. Individuals would then have the option to 'exit' by moving to another jurisdiction when dissatisfied with the mix of taxation and services provided in their area. To counteract the evils of bureaucratic monopoly and the bureaucratic tendency to increase salary, power and prestige, Niskanen's prescription is the following:

(a) Stricter control on bureaucrats through the executive or the legislature;
(b) More competition in the delivery of public services;
(c) Privatization or contracting out to reduce wastage;
(d) Dissemination of more information for public benefit about the availability of alternatives to public services offered on a competitive basis, and at competitive costs.

The Public Choice school has been successful in pointing out that there are alternatives available for the delivery of services to the citizens. The role of 'market' as a competing paradigm has challenged the hegemonic position of the state. Also, the power of bureaucracy has been similarly challenged, opening up possibilities of non-bureaucratic citizen-friendly organizational options. It is not however a state versus market debate, as it is often made out to be. The real issue is now to make the state more democratic and citizen-friendly, and not to relegate it to the background altogether and install the new God of 'market' in its place. The assumptions of the Public Choice school are not above board, nor are their arguments in favour of the market foolproof. Again, situations may differ from country to country, and their prescriptions to check governmental overgrowth may not be of universal relevance. For instance, the state-led 'development' activities in the Third World are not everywhere amenable to public choice prescription.

Peter Self's incisive comment sums it up quite succinctly: 'Certainly the growth and complexity of government, and perhaps a decline in the force of social opinion and sanctions, has given increased opportunities for politicians and bureaucrats to pursue their own gain at the general expense; but the extent to which they actually do so is another matter, which is unlikely to be settled by formal models of behaviour based upon simple assumptions'. The notion of a rational individual and the idea of a vote-catching politician and a budget-maximizing bureaucrat are not always real-life prototypes. Self-aggrandizing nature of an individual haunts public choice philosophy as did the selfish individual in the Hobbesian 'state of nature'.

Public interest and the welfare state are rejected by the public

choice writers; yet human institutional development in history has been toward these concepts. The ideals of communitarianism and people's welfare have not evaporated from our societies; rather, indications are that ideals of healthy collective life in the global village are more and more gaining in acceptance. To conclude, with Herbert Simon, 'the major motivational premise of public choice, *individual self-interest* is false'. 'Human beings make most of their decisions, not in terms of individual self-interest, but in terms of the perceived interests of the groups, families, organizations, ethnic groups and national states with which they identify and to whom they are loyal'. Also, empirical evidence on the relative efficiency of private and public organizations shows no consistent superiority of one over the other.

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Consent, Constitutions and Contracts: The Public Choice Perspective on the State

— Saugato Sen

Social scientists and political philosophers have long grappled with the question of the nature and the appropriate role of the state, as well as with the question of the relationship between the individual and society. From about 1940, a bunch of writings emerged, mainly in the United States and Britain, which looked at these questions from a fresh perspective. These writings were unified by the fact that they all applied the tools of economic analysis to study specific themes, which were hitherto the domain solely of political scientists and public administration theorists. These writings applied economic methodology to study political processes, relations and institutions. This body of writings—homogeneous and internally consistent enough to constitute a theory—which began as a trickle and subsequently grew into a flood of outpouring of research, leading to the emergence of specialized journals and research institutions, has come to be called *public choice* theory.

This chapter takes up for discussion some of the issues in public choice theory, issues that are particularly pertinent to students and practitioners of public administration. Specifically, the chapter, in the course of attempting to describe the salient features of public choice theory, looks at some early literature, and describes its basic methodology. An attempt has been made to focus on some of its contributions and limitations. The chapter also discusses the public choice approach to the issues of the Constitution, the state, the social contract and its view of politics as exchange.

THE BASIC METHODOLOGY OF PUBLIC CHOICE THEORY

Public choice theory is the application of economics to the study of political processes and institutions. This is not so much the assertion that economic events or processes influence political events and activities, as the application of the methods and tools of economics to the study of political science. Public choice is an approach and a methodology. It does not have its own separate topics. Its topics are the same as those of political science. Public choice studies those processes by which people indicate preferences and choices in areas other than the market.

The methodology of public choice consists of two related elements. The first is *methodological individualism*, a term coined by Joseph Schumpeter. Methodological individualism rejects viewing the society as an organism, and considers a holistic approach misleading. Public choice theorists argue that even when studying collective entities and groups, the *individual* should be the unit of analysis: both as the basic unit of decision-making as well as the unit for whom the decision is made. Groups, organizations, or even societies, are nothing more than the individuals comprising them. While other social science streams, as well as many other streams within economics, talk of group decision-making as being different in nature from individual decision-making, the public choice approach denies the legitimacy of decision-making at the group level. This approach contends that an organic view of society is not accurate, on the contrary, it is misleading.

The second element of economic methodology, closely related to the first, is *rational choice*. Rational choice is merely the modern application of the attribute of 'measuring the pleasure-pain calculus' that according to classical philosophers people follow. It considers but one aspect of human behaviour, namely *decision-making* in specific environments. The fundamental idea is that people try to do the best they can, given the constraints that they face. People are assumed to be able to rank alternatives in order of preference, and choose the most preferred alternative while being consistent in their choices. It does not imply that people are selfish or that they are negligent of other people. Applied to politics, the basic implication that public choice theorists make is that politics should not be analyzed from a 'public interest' perspective, but from an 'individual gain-maximizing' one. All participants in the political arena: politicians, bureaucrats, voters, etc. act to maximize their own gains.

There is nothing in the very nature of rational choice theory *per se* that it applies only to economics. It so happened that economists, beginning with neo-classical economists of the late 19th century like Stanley Jevons and Karl Menger, pioneered its use. It is now used in

all social sciences. It is a particular representation of human behaviour. As used in political science, it is sometimes called public choice. But some argue that the more accurate term would be *rational choice politics*. This term is more value-free, a positive term rather than indicative of a normative position that public choice actually takes. There is even a related term, *new political economy*, which is used to show that like the 'old' political economy, it, too, is an approach that studies the economy and the polity not in isolation from each other, but is new in that it uses rational choice methods in studying the joint nature of economic and political phenomena. This has several components, one of which is public choice.

'Rational choice politics' could be used as an umbrella term but there is actually a particular school of thought within the public choice approach, which is described by this term. Since many of the practitioners belonging to this school are based in Rochester, it is sometimes called the Rochester school of public choice. An interesting feature is that most of the members of the Rochester school are political scientists and not economists, though, of course, they use a lot of concepts from economics. They use sophisticated mathematical tools and Game Theory, and their body of work is sometimes called *positive political theory*. The Rochester school is methodologically much closer to standard neo-classical economics than are the other schools. It is also the most technical and abstract body of work in public choice (For an expository as well as analytical flavour of the work of this school, see for instance, Riker and Ordeshook, 1973; Ordeshook, 1986.) Coming back to the approach of analyzing politics using an economic approach, the basic ideas are: studies of the group as a category rather than the individual are meaningless, and political studies using the public interest perspective rather than the rational choice one are misleading.

Another school of public choice in America is what is called the Chicago school, most of the practitioners of this school being based at, or associated with, the University of Chicago. Although the Chicago school of public choice espouses the cause of markets and free enterprise, the Chicago public choice school economists should be distinguished from some other prominent economists belonging to the university of Chicago, such as Milton Friedman and Robert Lucas. These economists are ideologically in the same camp as the Chicago public choice school. However, the Chicago public choice school economists are different from other Chicago economists in that their topic of study, like those of other public choice schools, is politics and government activities. Among the three prominent public choice schools in America, the Chicago school stands out for its work in the field of regulation.

Traditional economic theory had argued for regulation only of natural monopolies so as to enhance efficiency and increase total

welfare so that monopolists do not raise prices and cut production to reap extra-normal profits. The first salvo from the Chicago public choice school was fired by George Stigler in 1971, putting forward a startlingly different theory of regulation (See Stigler, 1971). In this paper, Stigler put forward a theory of 'regulatory capture', whereby those who are regulated by the state, themselves capture the regulatory process and actually earn benefits at the cost of consumers. Big business or large farmers often benefit from regulation by getting subsidies and by being protected from competition and price control, which ensures large demand. Of course, trying to get regulation would involve lobbying, and being regulated means being subject to rules and regulations, but so long as the costs are lower than the benefits, monopolies would try to get regulated.

The third important school of public choice, the Virginia school, is probably the most normatively oriented of the three schools. The intellectual leaders of this school, James Buchanan and Gordon Tullock have included elements of political and moral philosophy in their research agenda. This school has, in methodology, added the concept of politics-as-exchange to methodological individualism and rational choice in the analysis of political processes. While believing in rational choice, this school points out that utility maximization is fine at the individual level but vacuous in a broad social sense because the society is not an entity that maximizes. It brings to the centre-stage the process of exchange, or (as this study is called) *catallactics*. This school has mounted a powerful attack on standard neo-classical economics, on Keynesian interventionistic policy-oriented theory of a mixed economy, as well as on orthodox public finance. The school stresses Constitutional political economy. The Constitutional-contractarian paradigm will be discussed in greater detail anon.

Although public choice theorists of the Virginia school advocate the use of economic methods to the study of politics, they are careful to point out that economic and political processes are not the same. If we consider choices made in the market as individual choices and choices made by people through voting as collective choices, the nature of choice by *an individual* in the market (as consumer) and in political voting processes (as voter) are very different. Buchanan (1954b) has pointed out six such differences. First, in the market, the individual chooses for himself, and the relevant outcome for him is determined only by his own choice. In the political voting process, on the other hand, the relevant outcome for this individual is determined by the choice of all. There is thus a far greater degree of uncertainty in the political process, because the individual has less control over the final outcome.

Related to this is a second difference. In the market, each individual feels that prices, total sales, the total amount on offer by

sellers are all beyond his control. He feels that he cannot influence the social organization presenting all alternatives in the market. Market processes seem to this individual quite impersonal and not influenced by him. On the other hand, a voter knows that his vote will have a role in determining the final social outcome. There is a greater sense of social participation. Moreover, because of this, the individual might use different values and subjective preference scales in making the choice in the two cases. Also, how the individual ranks the various alternatives in the political process may itself be influenced by the choices of others.

The third difference is that since decision-making through voting, unlike decision-making in the market, is dependent on the choices of all, each individual feels an absence of a sense of responsibility. Each individual may feel that even if he does not vote, the social outcome will in any case be decided. So, he has no incentive to vote. This may be the reason why in countries like the United States, there is often a low voter turnout during elections. A fourth distinction is in the difference in the nature of the alternatives offered to the choice-makers in the two environments. In political environments, choices tend to be mutually exclusive, both at the individual and the social level. A consumer in the market can allocate, his budget among a range of alternatives. In the market, a *combination* of goods and services may be purchased. A voter in politics, on the other hand, has to choose one alternative (candidate) to the exclusion of others. Even at the social level, the scarcity principle is not applied to political choices, unlike economic ones.

The fifth difference between choice in the market and the political arena is that each unit of money spent goes towards the purchase of some goods. Nothing goes waste. But in the political sphere, a person may vote for a candidate who loses. For the voters as a whole, all those who vote for the losing candidate end up as a minority whose preferences eventually do not determine the political agenda. Hence, there may be an element of indirect coercion in this situation. As Buchanan puts it, 'In voting, the individual does not choose among *existing* but rather among *potential* alternatives, and ... he is never secure in his belief that his vote will count positively. He may lose his vote and be placed in the position of having cast his vote in opposition to the alternative finally chosen by the social group. He may be compelled to accept a result contrary to his expressed preferences. A similar sort of coercion is never present in market choice' (Buchanan, *op. cit.*: 339—*emphasis in original*). The final distinction is that in the political sphere there is equal distribution of votes; in markets on the other hand, there is usually unequal purchasing power and distribution of income. Of course, the first five differences mentioned here would be relevant even if there were perfect economic equality.

Public choice theorists have written on the nature of collective choice. People often feel the need to coordinate their strategies to get some potential gains or meet some objectives. Mancur Olson was one of the first to provide an insight into why collective or group action is not likely to be very successful, specially if the group size is large (Olson, 1965, 1982). The basic idea that Olson put forward was that the public interest was a public good, that is, a good that people collectively consume and that people would free-ride. Since the larger the group the smaller the individual benefit, and therefore the less any person is likely to volunteer or participate in the group activity needed to bring a particular objective to fruition. Hence, the smaller the group, the more likely is the group activity to succeed. Public choice theorists see the danger of special interest dominating the public interest in many spheres. In many cases, lobbies and pressure groups get organized and use the political process to garner subsidies, which are inefficient from a social point of view, at the cost of the unorganized bulk of the population. When there are public interest groups and lobbies, the outcome could not only be unfair but also Pareto-suboptimal. People find it hard to come together and devise Pareto-efficient solutions because public interest is a public good, and there will be an under-supply of privately produced public good.

Public choice theorists speak of rent-seeking and Directly Unproductive Profit-seeking activities (DUPs). DUPs are means of earning a profit through activities that do not add to social value. They produce goods and services that do not provide utility. Typical examples of DUPs are tariff-seeking lobbying, creating artificial monopolies that generate rents, even smuggling. The important thing about DUPs is that these use up resources to create profits but produce no output. (For an analysis of DUPs, see Bhagwati (1982), Bhagwati, Brecher and Srinivasan (1984)). Bhagwati, Brecher and Srinivasan (1984) contend that DUPs can arise both as a consequence of particular policies, as well as means to influence the making of favourable policies. Lobbying by special interest groups to gain from some policy may be considered as an example of the former situation. Another type of activity within this category is the smuggling that may take place as a consequence of a protectionist policy characterized by high custom duties. We can think of strong industrial groups, which lobby for high tariffs and quotas or policy that discourage foreign competition as an example of the second category. (For an insightful account using DUPs of India's industrial policy and economic development in the 1950s and 1960s, see Bhagwati and Desai (1970). DUP is related to the general concept of rent-seeking.) Bhagwati (1982) claims that rent seeking is a subset of DUP, insofar as it relates to lobbying for quota-determined scarcity rents.

PUBLIC CHOICE AND TRADITIONAL PUBLIC FINANCE

Public choice deals with public finance in a major way; indeed, it emerged as a reaction to traditional public finance. Public economics, including traditional public finance, as well as the public choice perspective, all take the supply and demand of public goods as the basic topic of study. Public choice emerged mainly in analyzing demand for, and provision of, public goods. The demand side of public goods was analyzed initially. The first important paper in this area was by Harold Bowen (1943) which sought to analyze the demand side of public goods and the use of voting as a signal of demand. Paul Samuelson (1954) put forward a theoretical analysis of the demand for public goods. Samuelson, however, is not a member of the public choice school. Duncan Black, in 1948, discussed some rules of decision-making in committees (Black, 1948). He discussed situations where a group decision has to be made, but strict unanimity does not exist. In this paper, Black also introduced the notion of single-peaked preference in voting. He also discussed some voting principles. He is regarded by many to be the father of modern public choice. Kenneth Arrow (1950, 1951) laid the foundations of social choice theory. Arrow extended the notion of the social welfare function to put forward his famous 'impossibility theorem'. James McGill Buchanan in two important papers (1954a, 1954b) argued that decisions in the political sphere (collective decision-making) are not the same as economic decisions (individual decision-making in the market). Buchanan also argued that the whole notion of a social welfare function is ill-founded. The aggregation of individual preferences is an invalid exercise. Buchanan (1959) brought forth an important paper outlining the relation of conventional welfare economics and public choice.

Among the seminal works on the supply of public goods was Downs (1957) where he suggested a theory of political competition, with politicians attempting to maximize votes analogous to profit maximisation by business firms. He analyzed institutions of democracy, *albeit* of the British Parliamentary type. William Riker in 1962 presented a theory of political coalitions. In 1962 itself was published a book which was to be one of the canonical works in the whole public choice literature. This was *Calculus of Consent* by James Buchanan and Gordon Tullock (1962). This book set out the basics of the analysis of Constitutions. It discussed the nature of majority rule. In *The Logic of Collective Action*, Olson (1965) discusses the free-rider problem. The basic point is that the larger the group, the more difficult it is to take collective action. Small groups are better at solving the incentive problem. They can provide positive as well as negative incentives. Tullock pioneered the study of bureaucracy as

well as rent-seeking. Niskanen (1971) gives the classic public choice analysis of bureaucracy. (For a detailed account of the public choice analysis of bureaucracy, see Sen (1997)).

There have been two main views regarding principles of taxation by government, and its nature. The first is the ability-to-pay approach, which holds that taxes are compulsory payment by the citizens, depending on each individual's ability to pay, without any direct *quid pro quo*. This has been the view of economists like Alfred Marshall and A.C. Pigou. But English economists only focused on welfare economics and specific analysis like effect of a particular type of tax on demand and supply.

Public choice theorists contend that this utilitarian view of public finance led to a situation where institutions were not analyzed, and were taken as given. It was assumed that the government always acted in the public interest, and that the government could accomplish most of what it sought to achieve. Secondly, the major influence of Marshall meant that intellectual attention was focused on the private economy and the public process was neglected. Moreover, public finance largely derived methods from Marshallian economic analysis utterly neglected the *rules* for taxation, of taxation *Constitutions*. The influence of Bentham and Marshall has continued to inform the standard approach to economists' advise to officials on economic policy-making.

The other view, called the 'benefit approach', holds that taxation is a price paid by citizens to government for services rendered by government. This view neatly complemented the contractarian view of the state. Hobbes and the physiocrats accepted the benefit approach. So did Locke, and later Hume and Rousseau, who repudiated the Aristotelian idea of natural law. Insofar as the benefit approach was tied to the contractarian view of the state, the main benefit was considered to be protection and security. Taxation was considered a price paid for protection, and additionally, as a price for belonging to the geographical domain of the state.

Towards the end of the nineteenth century the old-fashioned traditional kind of benefit approach made a comeback. For this, the public choice theorists feel indebted to Wicksell and the Italian school of public finance. Continental economists, mainly those in Italy, played a big role in this resurgence of the benefit approach. But seminal contributions came from the Scandinavian economists Knut Wicksell and Erik Lindahl.

Wicksell (1895) adopted an approach that was to act as a major influence on the public choice approach when Buchanan (1949) enthusiastically revived it. Wicksell emphasized the political nature of public finance and preferred the benefit approach to the ability-to-pay approach as he felt that this was more in keeping with the spirit of democratic society and the value of individual liberty. He held that

every individual feels that his contribution to payment for public services (public good) is so small that he would not have an incentive to contribute. Therefore, policies of public expenditure and revenue are determined by the legislatures. Communication between the individual and the group is important and group decisions should be made so as to maximize total utility. Wicksell was the first to suggest that collective or public sector decisions emerge from a political process rather than from the mind of a benevolent politician working with the public interest in mind, and he stressed the principle of unanimity and voluntary action as the basis for budgetary rule. He can truly be called the precursor of public choice theory.

CONSTITUTIONALISM, CONTRACTARIANISM AND POLITICS—AS EXCHANGE

Public choice theorists deal with the question of the state in a contractarian paradigm. In this paradigm, the government is an economic institution in two senses. It is an instrument through which people can realize certain ends. Secondly, it is the product of the bargaining and exchange among individuals. Governments are not only a party to, but also the result of, this exchange process.

Government is the product of collective choice. The social contract theory of the state is a normative application of the concept of agreement as an indication of social desirability. The public interest is furthered by changes that are agreed to by those who benefit from the changes. According to public choice theorists economists should eschew the maximization approach, or more accurately, resource allocation and the scarcity paradigm and should instead focus on the exchange paradigm, or *catallactics*. Public choice theorists seek to extend this 'exchange' paradigm to the political sphere.

This implies that the edges between the 'economy' and the 'polity' get blurred. Once the *catallactics* approach is adopted, political decision-making institutions can be analyzed in the same way as economic institutions. Of course, even in this approach, the fact that power and coercion exist in society is not lost sight of. Once we move away from the political counterpart of such a model and get into situations of rent-seeking, power relations come into play. These non-voluntary relations involving power and coercion should be the realm of study of the discipline of political science. Thus, public choice should not be viewed as economic imperialism. Human propensity to truck, barter and exchange is not limited to 'economic' exchanges or commercial transactions but is present in almost all areas of human interaction, as Adam Smith put it. The view of politics that public choice takes is that of politics-as-exchange.

A normative principle that follows from the exchange paradigm is that if voluntary exchange involving consent is preferred to

coercion, then those policies that promote voluntary exchange among consenting individuals, are to be preferred. This is why public choice theorists are such vocal proponents of market relations. The market in its idealized form, is not only an efficient economic institution that promotes growth and prosperity, but the voluntary exchange process that underlies the market and in any sphere, is also the best guarantor of human liberty and the best protector against coercion.

Public choice theorists argue against adopting an organic view of the state and society. A society is merely the collection of individuals who constitute it. Similarly, the state is not a homogeneous organic entity. It is a collection of politicians, administrators and other personnel. Economists should look at the structure within which political decisions are made. Before looking at the effects of alternative economic policies within a given set of rules, economists should analyze the structure of the state and political apparatus.

They must first investigate the relationship of the individual and the state; see why people come to cooperate and engage in exchange in society. Economists should look at the 'Constitution' of economic polic' and stress on politics-as-exchange that focuses on, the process itself, rather than the outcome. There is no external authority which judges outcome to be efficient. From this arises the contractarian view of society where a just social order arises as a result of voluntary exchange among individuals to develop a social contract. Consensus and unanimity are fundamentally important.

Their social philosophy is based on unanimity, Pareto-optimality and the procedural approach to the evaluation of policies and institutions. It is interesting that philosophically, public choice theory is contractarian and libertarian, but is opposed to utilitarianism. It talks of unanimity, and is non-consequentialist and therefore deontological and thus rejects teleological explanations. It is subjectivist. The philosophical ingredients of public choice theorists include a rejection of traditional natural law and natural rights. In this respect, public choice theorists are Hobbesians. (For an analysis of the philosophy of one of the prominent scholars of public choice, See Rowley (1987)). For public choice theorists, the agreement and unanimity principles serve as a surrogate for natural law. In its purest form, by agreement public choice theorists prefer unanimity. But where unanimity is absent, there can be bargaining. Public choice theorists retain the Pareto-optimality principle of orthodox welfare economics, but extend it to the political sphere, and combine it with Wicksellian unanimity principle. Although public choice theorists are libertarians, they are not 'end-state' liberals, in that they do not value liberty as an end in itself, but are rather procedural libertarians, who focus on the social contract.

Public choice criticizes the traditional welfare economics' assumption of 'omniscience' in the observer. According to public choice

theorists, it is not tenable since utility is a subjective measure. Unless the individual in the economy reveals his ranking of preferences by actually making the choice, the economist has no way of finding out the preference ordering. No social value scale can be constructed from individual preference patterns. Efficiency cannot be an externally determined criterion. Since each participant in the market or the political process will have his own subjective individual preferences, public choice theorists regard unanimity as the solely relevant social choice rule. One person's subjective preference cannot be meaningfully compared with another's.

In following methodological individualism along with the unanimity principle, the public choice approach is somewhat different from the social choice approach pioneered by Arrow. The fundamental investigative agenda of social choice theory is to devise rules for arriving at social decisions or social choice by aggregating in some way the underlying individual preferences or choices. Public choice theorists take the whole agenda of attempting to arrive at 'social preferences' irrelevant. They do not accept the basic construct of a social welfare function as meaningful. To be sure, social choice theorists, too, deny the primacy of society over the individual. For them too, society is merely the collection of the individuals living in it. Society does not have a separate personality, so to speak. Public choice theorists argue that to speak of a 'social welfare function', which shows how the welfare of society as a whole depends on the welfare of individuals, surreptitiously brings back an organism-based or holistic approach to social analysis. They reject social choice theory because they are subjectivists and say that the social scientist cannot compare individual preferences from outside.

MARKET FAILURE AND GOVERNMENT FAILURE

Standard neo-classical economics claims that provided certain assumptions are met, people entering into voluntary exchange with one another, each pursuing his self-interest independently, ensure that competitive markets are the most efficient institutions for allocating resources. A situation of Pareto-optimality will be attained, which means a point will be reached where no one can be made better off without at the same time someone else being made worse off. The crucial point here are these conditions, which if met, will ensure optimum use of resources. The price system will take care of resource allocation. The notion of competition in neo-classical economics, when it speaks of competitive markets, is a situation where no producer or consumer is able to take control of the market or rig it. Competition is so severe that no one has it in his power to set a price that would guarantee extra gains for that individual or organization. Everyone sells homogeneous goods or services and sellers can enter or leave the

markets with ease. Perfect competition means a situation where paradoxically there is no rivalry. Every one has equal power (or lack of it). 'Big business' is absent.

This kind of perfect competition, along with the absence of public goods, absence of increasing returns to scale and absence of externalities has traditionally been considered the only case where markets work efficiently, and any deviation from these conditions is called a situation of *market failure*. Hence it can be seen that theoretical conditions for market success are extremely stringent and rarely to be found in the real world. Cases of market failure would be ubiquitous. Thus, whenever public goods are present, or monopolistic conditions prevail, we have situations of market failure. Later, situations where different agents in the market have unequal information about market parameters or have imperfect or incomplete information have been added to the situations of market failure. In the scheme of neo-classical economics the government has a role to play, apart from maintaining the legal framework and property rights.

What public choice theorists and some other economists have managed to do is to forcefully argue and persuade the profession that the existence of market failure does not imply that the government will do a good job of participating in economic production and provision, it does not automatically make a case for government intervention. Governments could be inefficient in provision, could overspend, may not pay heed to cost overruns. Governments can fail, too. The situation where government displays inefficiency in provision has been called government failure.

The case of government failure, it should be noted, does not say that governments are inherently bad and markets are inherently good. What it does say is that even accepting the conditions under which markets are said to have failed, there is no guarantee that a *real world* government will be more efficient or will automatically enhance social welfare. The theory of government failure is part of public choice theorists' repeated plea for focussing on real governments and officials rather than some ideal or theoretical representation of these. Public choice theorists have severely criticised mainstream economists for assuming that the government *could or would* automatically carry out the most efficient and welfare increasing policies. Public choice theorists explain government failure in terms of pursuit of vested interests by politicians, who try to win elections and to get re-elected and by rent-seeking bureaucrats.

AN APPRAISAL OF PUBLIC CHOICE THEORY

Public choice theory's major contribution pertinent to the area of public administration has been the fact that it has questioned the very basis of bureaucracy run governance. The principal contribution

of public choice theorists overall has been, *first*, that they have largely managed to convince economists that it is futile to talk of economic policy, and public finance, without discussing politics. Economic policy is, after all, made by politicians.

Secondly, public choice theorists have mounted a spirited attack on several strands of economic theory and social philosophy; such as neo-classical economics, Pigovian welfare economics, Pigou-Marshall type of public finance theory, and Benthamite utilitarianism. They contend that talking of a 'social' welfare function or choice function makes one guilty of organic view of society. They have criticized the policy of maintaining budget deficits and undertaking deficit financing, which they see as an unfortunate legacy of the influence of John Maynard Keynes, and have advocated balanced budgets, urging a tax and fiscal 'constitution' in the sense that a policy of balanced budgets and tax rules be place in the Constitution so that politicians are bound by these rules. Thus, they have managed to challenge the Keynesian orthodoxy that prevailed in many western democracies in the post-world-war II period.

Thirdly, when discussing politics and the institutions that supply public goods, they have made a powerful case for 'politics-as-exchange', and the Constitutional-contractarian paradigm. They have contributed to voting theory, namely single-peaked preference, median voter hypothesis, vote-trading (log-rolling), strategic and insincere voting, and so on. They have provided incisive analysis of supply of public goods that are not pure public goods, specifically 'club goods'. They have also broadened our understanding of collective action. They have made a persuasive case for the possibility of government failure and shown that it is more widespread than was thought, and have given powerful insights into the theory of regulation and rent-seeking. The impact of the views of the public choice theory on bureaucracy and rising state expenditures can be seen in the fact that beginning with Margaret Thatcher in Britain in the 1980s, many countries have sought not merely to use the expression 'rolling back the state', 'downsizing government', but actually implement them. In other words, not only has the private sector been allowed greater play, but the state and bureaucratic machinery has actually shrunk in several countries. In principle, the private and public sectors do not play a zero sum game. It is possible that both the sectors grow concomitantly. But while the private sector has expanded, the state sector has shrunk both in direct administration as well as through privatization of public enterprises. Moreover, there has been widespread adoption of management precepts and practices of business firms for use in the public sector. Along with this, there has been an increase in contracting out of services to private providers as well as outsourcing by government enterprises from private firms. The whole *New Public Management* approach and viewpoint is, moreover,

heavily influenced by public choice theory and can indeed be said to trace its lineage to it. *Finally*, public choice theorists have provided insightful analysis of political business cycles—the relation between economic prosperity and depression and political events such as elections. Other social scientists such as Michal Kalecki had earlier provided related accounts.

Public choice theory has been subjected to severe criticism. According to some interpretations of public choice theory (usually critical), the proponents of public choice theory depict government officials as well as politicians as being utility maximizers who seek to maximize their 'budgets' or some other objective, which is not conducive to promoting the 'public interest'. These critics then charge public choice theorists with taking a narrow view of human motivation and action. The critics also point out that public choice theorists call for a minimal state.

This type of criticism of public choice theorists is misplaced. Suppose that we go along with these critics and say that it is deplorable that bureaucrats and politicians are concerned with maximizing their own utility rather than the public interest. But then we discover that public choice theorists recommend a minimal state. So, the role and influence of venal and corrupt politicians and bureaucrats is sought to be minimized. It follows that these critics cannot fault public choice theorists both for suggesting that politicians and bureaucrats are self-serving and venal, and if these critics accept this view of public officials in general, also for recommending a minimal state. Unless, of course, the critics feel either that selfishness is not descriptively and empirically correct or that it is not prescriptive and moreover, since politicians and bureaucrats should not be selfish, there ought to be a greater role of the state.

The interesting question is: if utility maximization is not only descriptive but also prescriptive in the case of markets or the economy, why is it not prescriptive in the case of the government or the polity? Why does the 'invisible hand' not hold for government action? If individual self-interest leads to social benefit in the case of the market, why does it not do so in the case of the government? Moreover, as Basu (1992) points out, if we consider the government to be the creation of voluntarily exchanging and bargaining individuals, then any sort of government that emerges should be acceptable, whatever its extent. Why then do the public choice theorists, particularly those in the Virginia school of thought, picture the genesis of the state as a result of bargaining among people, and also recommend a minimal state? To describe public choice theory as merely the application of (neo-classical) economics to political processes, or as a theory applying the principles of rational choice to the political arena is misleading, and does not do justice to the theory. There is more to it.

Critics of public choice theory have often viewed public choice theory as a handmaiden of New Right ideology, and it is seen as advocating untrammelled markets, minimal governments and drastically cut bureaucracies. This may be true, but public choice theorists' contributions have been largely methodological. Public choice theory has provided a new way of approaching the study of politics. It makes the study of politics possible in a logical deductive manner. Public choice theory has examined the motivation and choice of tactics of politicians and bureaucrats (and voters as well as lobbies, pressure groups and interest groups). Public choice theory has made it easier for researchers to choose various levels of aggregation of individuals into groups or institutions or communities as the focus of the study. It has vigorously examined the value as well as short-comings of collective actions, governments and Constitutions, always keeping the representative individual at the centre of the analysis, not only in the sense that collective entities are nothing more than the collection of individuals and individual behaviour and motivation should be the objectives of study, but also in the sense of considering the gains of individuals who are being studied or what in their own perception are gains, as the only criterion worth considering. Public choice theory proponents have also strongly cautioned social scientists and policy advisers against playing social engineers.

It is in the last point where public choice theorists have been at their most ingenious. It is not that they do not use value judgements. Baldly stated, they prefer the market to the state. Other believers in the power of the market do so on the grounds of its supposedly greater efficiency in allocating several resources or in promoting economic growth or both. But public choice theorists are subtler. They claim, following Adam Smith, that humans like to exchange with each other in all walks of life. They also claim that in a free society, coordination of actions of disparate independent individuals is achieved such that order can arise in society spontaneously. Any tampering with the set of arrangements goes against natural scheme of things. The market is a set of institutions and processes, which has the greatest affinity with the natural predisposition of people, and is also therefore the greatest promoter of personal freedom and individual liberty. If we value liberty of humans, and consent among freely choosing individuals for exchange and social interactions, we have to plumb for the market. The market is not an institution that stands above the individual, to which the individual submits and from which he tries to derive advantages. The market is nothing but the collection of exchange process among consenting individuals, each of whom participates keeping his own goal in mind (but ends up promoting the gains of others, although that is not the original aim of that individual). Hence social scientists should not impose some external standard. For judging the outcome, there is no standard for efficiency save the process of the market itself.

One of the great contributions of public choice theory is convincing economic theorists (particularly neo-classical economists) that the analysis of government policies, even specifically economic policies, cannot be fruitfully done without an analysis of the political processes. The state, in its policy making activities, cannot be treated exogenously and as a 'black-box'. Even when economists analyze policies and build models, government activities should be treated as endogenous variables, to be explained within the model. This kind of approach, of course, is not new for other perspectives of social sciences, particularly Marxian social science, but for neo-classical economics it has been novel.

Similarly, for political scientists and public administration theorists, the message has been two-fold. *First*, do not focus on collectivities or broad institutions, but rather on the representative individuals within them. *Secondly*, do not assume that humans display different behavioural motivation in the economic and non-economic spheres. If a person looks for his own gain and self-interest when buying something or selling something, why should that same individual suddenly respond to the public interest where he is a bureaucrat or politician? Public choice theorists make a plea for assuming consistent behaviour in all aspects of life. Public choice theory argues two different things about political institutions. *First*, whichever is the institution, the representative's individual pursues the interest of that institution. In other words, the representative's decision-maker can be thought of as a surrogate for that institution. Thus, just as the entrepreneur can be thought of as a surrogate for the business firm, the politician can be the surrogate for the party, the bureaucrat for the bureaucracy, the individual voter for the collective populace. Secondly, sometimes (or in bureaus often, according to writers like Tullock) the individual can pursue his own gain and self interest in conflict with, and detrimental to, the group or institutional interest.

Public choice theorists are often the victims of *argumentum ad hominem* types of arguments. It is true that public choice theorists propose minimal government, but critics have often pounced upon this suggestion, as if by itself this goes to show that public choice theory is flawed, or useless, and worse, is against the spirit of human progress and development. Public choice theorists are identified as being 'Right-wing' and hence denounced. All that they urge is that human behaviour in any field has to be viewed realistically and not romantically. If we accept that people who are businessmen or workers or consumers act keeping self-interest in mind, why should we expect that the same people, when they act as voters, to act as if they do not believe in self-interest? And if voters do act in their own interest, why should we expect politicians, legislators, policy-makers and adminis-trators to act otherwise?

An interesting thing is that while analyzing pre-1991 economic development in India, particularly the nature and role of development state, some scholars who have adopted a Marxian stance, have employed constructs, and put forward arguments that are surprisingly similar to those used by economists using—whether explicitly stated or not—neo-classical political economy or public choice theory. Thus, for example, see the similarity in the analysis of Bardhan (1992, 2000) from a neo-Marxian perspective, and Srinivasan (1985, 1988), from a neo-classical, 'public choice' one. It may also be mentioned in passing that in their analysis of Indian economic development, some economists belonging to the Left (not Bardhan himself) have been less than consistent in their views about the desirability of the role and functions of the state. On the one hand, when it comes to the 'state versus market' debate, these scholars have unequivocally placed their faith on the state. They are against the rolling back of the state not only in its welfare and distributive role but also in its producing as well as regulating roles. But while analyzing the Indian State *per se*, they frequently claim that the state serves the interest of some dominant class, or lobby or group.

Two questions suggest themselves here. *First*, what do public choice theorists have to say about the corruption and malpractices that arise out of self-seeking behaviour? *Secondly*, if people are assumed to be self-seeking in private markets, and that behaviour is endorsed as leading to efficiency, why do public choice theorists not endorse self-seeking behaviour in public organizations? Why do they propose a minimal state? More to the point, if the state is considered to have arisen as a result of the bargaining process among individuals, it is clear that the state that results from such a bargaining process would be the one likely to serve the people in the best possible, the most efficient manner. Surely, the public choice theorists cannot both claim that the state comes into being as a result of bargaining among consenting individuals, and also claim that the domain of such a state should be curtailed as much as possible.

The weakest aspect of public choice theory is that by adopting an individualistic approach to the analysis of society and denying the legitimacy of even an aggregated social welfare function, the theory renders the social scientist incapable of making any comment or judgement, on outcomes and events in society, and hence recommendation on social and political policy. Moreover, by insisting on the unanimity principle, the theory almost entirely glosses over conflict situations and power relations. When dealing with political or economic processes on an international scale, it is hard to determine the unanimity principle. Further, in adopting methodological individualism, it implicitly makes the assumption that all individuals are alike. It is difficult to analyze stratification and hierarchy with this approach.

In conclusion, we can say that public choice theory is an analysis of government organs, based on the tenets of methodological individualism, democratic administration and decentralization. It extensively examines political and bureaucratic behaviour, making a case for market efficiency and alternative structures of authority for production and provision of goods and services. All findings of public choice theory are relevant to one area or the other in politics and administration. We have, however, confined ourselves to certain specific areas. The appraisals in this chapter do provide a broad overview of the relevance and impact of the theory on the study of politics and administration. Noteworthy are the attacks of the theory on the hegemony of bureaucracy, and the emphasis on voluntary exchange and co-operation among humans. It attempts at propounding a theory of the social order that combines the insights of Adam Smith and Thomas Hobbes.

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Some Reflections on the Changing Complexion of the State

— ANURAG JOSHI

State is one of the key concepts in social sciences as it features in political, cultural, social and economic aspects of society. In fact, it would not be incorrect to say that social sciences is centred on the study of the state and related institutions. State became an important part of political theory in the latter half of the 19th century, but with the emergence of behavioural studies in social sciences, it was relegated to the background. In the post-II World War period, when the US became the centre of intellectual activity, study of politics was imparted a value-free status. The situation again changed in the late 1960s, when political theorists became aware of the danger of conceptualizing political phenomenon without going into the dynamics of the state. In this chapter, we start with some reflections on the basic features of the state, its functions and role and trace its evolution over time. We then move on to a discussion of the state in the contemporary context, especially in the backdrop of globalization. The Indian situation has been given particular attention followed by a commentary on the directions in which the state is moving. An assessment of the state's role in citizen's lives today has been undertaken and some prescriptions suggested by way of concluding remarks.

STATE: SOME FUNDAMENTALS

The state has had differing complexions down the ages depending on the varying conceptions of thinkers and philosophers. It has been observed that 'thinking about the state and forms of governance, about people's participation and revolution to overthrow the prevailing

order, about the values of freedom, equality and justice, about domination and liberation, forms the core of social sciences' (Mohanty, 2000). Indeed, none other than V.I. Lenin in a lecture titled 'The State' given at Sverdlovsk University on July 11, 1919 cautioned his audience not to be 'perturbed' if he did not seem clear and convincing 'because the question of the state is most difficult and complex one'. Similarly, 'the term state is, of course, an ambiguous one'. It has been observed that 'the evasiveness and ambiguity surrounding the state would suggest the impossibility of finding an agreed specific meaning of the term' (Spicer, 1980).

Thus, 'to some, the state means a particular piece of territory, others would define it as a collection of particular persons and institutions. Still others, would equate it with the machinery or the apparatus of government. This is perhaps the most modern view'. The state has been defined as 'concrete national institutions and organizations; and people that carry out the basic functions common to all modern nations'. One should also take cognizance of the state as an idea or concept and not remain focused only on the governmental apparatus. Kenneth Dyson has put this as a 'category of the mind'. He pointed out, 'if anarchy broke out tomorrow, there would be no state apparatus, but the idea of the state would still be present' (*ibid.*).

A state, thus, is both an idea as well as something more tangible. The state certainly has had different *avatars* during different periods of history. Max Weber conceptualized state as an autonomous organization with extraordinary means to dominate. The modern state, according to him, is a compulsory association, which organizes domination. A state is a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory. For Weber, states are purposeful associations with varied purposes but similar means. It should be noted that Weber was not referring to all states, but was attempting to create a heuristic, ideal type state. To Weber, this ideal state is a field of power marked by the use and threat of violence and shaped by: (i) the image of a coherent, controlling organization in a territory, which is a representation of the people bounded by that territory; and (ii) the actual practices of its multiple parts having images and practices as the two elements (Migdal, 2001).

The Gandhian perspective holds the state to be an institution of violence and therefore, talks about limiting the ambit of the state. In other words, it accepts the need for a minimal state. According to Mahatma Gandhi, the limits imposed on a state should be based on some rational considerations. Thus, state authority should be reduced by decentralizing power. He wished for such a system of decentralized power where associations and groups below the state level could enjoy comparatively greater autonomy and independence vis-à-vis the state. In the Gandhian perspective, state's presence should be restricted to

certain core strategic areas such as external and internal defence and foreign affairs. Of much greater significance is the fact that the Gandhian state is circumscribed by a society's ethics as reflected in its customs and traditions. Finally, in this scheme of things, the individual conscience or the inner voice also acts as a limiting factor as regards the state-power.

Whatever may be the views on the state, one should note that any state, fundamentally, comprises four elements: (i) Population, (ii) Territory, (iii) Sovereignty, and (iv) Government. A state will not be a state if any of these elements are not there. This four elemental association called the state has remained unchanged down the ages in terms of the elements comprising it.

The state is often treated as a synonym of the government and vice-versa. However, the government is an integral part of the state and not the state itself. The government is a set of institutions that implement the functions of the state and hence is the executive arm of the state. On account of this, it enjoys a high visibility and perhaps, ends up being treated as the state. But, state is a continuing, even permanent entity and is much more extensive than the government. Another fact that may be mentioned at this juncture is that of all the associations/organizations that exist in a society, the state is the highest ranking one. The overarching supremacy of the state distinguishes it from all other associations; as has been stated, 'the state is a central factor in modern societies and its role is comprehensive' (Burlatshay, 1978).

LIBERAL AND MARXIST PERSPECTIVES OF THE STATE

As already pointed out, the complexion of the state has kept changing during different historical periods. This differing complexion of the state is best examined as different perspectives on the state. It goes without saying that while examining these perspectives, we would inevitably be dwelling upon the state's functions and roles. Broadly, the changing character of the state over time corresponds to various shades of Liberalism and Marxism, which have been the dominant perspectives.

Liberal Perspective

Liberalism is basically, premised on the belief that individuals have the intelligence and the capability to decide what is best for them and should, therefore, be left alone/free to best pursue their self-interest. In a state espousing liberalism, its role/functions are limited to some basic/core activities like maintenance of law and order, collection of

revenue and protection of citizens from external/internal threats. Alternatively put, a liberal or more correctly, a classical liberal state is non-interventionist.

It may be mentioned that the pluralist theory of the state has a very clear liberal lineage. It stems from the belief that the state acts as an 'umpire' or 'referee' in society. The state is projected as unbiased and impartial towards all groups. Modern pluralists like Robert Dahl and Charles Lindblom have, however, accepted that the state can and does forge its own sectional interests (Heywood, 2003).

Coming back to liberalism, in the early phase, till the end of the 18th century, it was a political doctrine, which criticized absolutism and praised the virtues of Constitutional and representative government. From the 19th century onwards, liberalism was broadened to include economic matters. It propounded the benefit of the market place and hence, extolled *laissez faire*. It condemned state intervention and stood for a minimal 'night watchman' state. The proponents of these features of the state were called liberatarians. The late 1940s witnessed another shift in the ideology when limitations of markets were highlighted by a lot of social scientists and thinkers who advocated active state intervention in the economy.

As regards the neo-liberal state, it is an illustration of the wheel having come full circle. The weaknesses, real or imagined of the welfare state-license permit quota raj in India, abuse of the social security system in UK and France for instance, led to a situation where it was felt that the state should retreat or withdraw from all activities-developmental/non-developmental barring those pertaining to certain core/strategic areas such as defence and foreign affairs. Economists such as Milton Friedman have been the active proponents of the retreating state.

Indeed, the genesis of globalization can be traced to this vociferous clamour for a neo-liberal state. Thus, 'during the 1990s, concepts like new world order, minimal state and good governance have gained much currency as part of the issues of globalization and Structural Adjustment Programme (SAP). The liberalization of the economy dismantling the shackles of rules and controls is being considered to be the only solution to ensure a balanced growth of economy; and a just and prospering world order' (Panda, 2003). Thinkers like Francis Fukuyama have, in fact, claimed that with the collapse of communism, the sole ideology applicable in the world is a combination of democracy and market economy. This development, he described as the 'end of history'. Before discussing the role of the state against the backdrop of globalization, an analysis of the Marxist perspective would further clarify the changing perspective of the state.

Marxist Perspective

Coming to the other dominant perspective, i.e., Marxism, 'in essence the attitude of Marx, Engels and Lenin towards the state, defines it as an instrument of the domination of one class over others stressing particularly its coercive character' (Carrillo, 1977). Marxists, in other words, consider the state to be a coercive apparatus of the ruling class. Marxism is based on a fundamental belief that it is a collectivity of workers—the proletariat—that can best manage civic affairs. In an ultimate sense, Marxism stands for a classless and stateless society- scientific-socialism or communism, to use a more popular name. According to this perspective, the executive of the modern state is, but a committee for managing the common affairs of the whole bourgeoisie. The totality of the production relations constitute the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond different forms of social consciousness. The base-superstructure model positioned itself against the liberal concept of the disembodied state standing apart from society (Chandhoke, 1995).

The mechanical and economically reductionist perspective of subsequent Marxist literature assigned a secondary and derivative position to the state. The state came to be understood as a power structure in its own right in the post 1960s. This was reflected in the writings of the proponents of the relative autonomy of the state such as Claus Offe and Nicos Poulantzas. It was realized that the state performs functions not only on behalf of the dominant classes, but also the functions that are distinctive to the state itself. The state came to be seen as relatively autonomous of the bourgeoisie. It was recognized that the nature of the state cannot be explained without references to developments outside the boundaries of the state (ibid.).

The relative autonomy theory of the Marxists was carried to its ultimate conclusion by statists like Theda Skocpol. They did so by asserting that the state is autonomous of society. Therefore, it is the capacity and the power of the state, rather than its linkages with society, which should be the focus of any analysis of the state. Though the Marxist focus on structural dynamics is important, Skocpol argues that it lapses into reductionism, evolutionism and teleology, because it does not pay enough attention to historical detail or to the state as a distinct political presence. A society-centred perspective may have been adequate as an explanation in the 19th century, but the 20th century marks the emergence of the state as an actor, rather than as the register of social forces (ibid.). In the globalization context, with the emergence of so many non-state actors, the state's role irrespective of any ideology or perspective, is becoming more crucial mainly in the core sectors of the economy. Even the post-modern view of the state talks about plurality of viewpoints and local narratives.

POST-MODERN VIEW OF THE STATE

To get a hang of the post-modern view, one has to necessarily dwell upon post-modernism *per se*. To quote Michael Spicer (*op. cit.*), 'Central to post-modern thinking is the idea that there has been a decline in the credibility or in the legitimating power of the grand narratives or stories that we are used to telling each other about politics and science in society'. He goes on to say: 'The post-modern condition is one of what the French post-modernist philosopher Jean Francois Lyotard has termed an *incredibility towards meta-narratives*. Elaborating further, 'in other words, in the post-modern condition, we no longer believe that we can root our political thinking and actions in the soil of the various versions of enlightenment dogma, be they conservative, liberal or socialistic. The defining political characteristic of the condition in which we find ourselves is not that of any particular grand-meta narrative, but rather that of a variety or of a plurality of local and often conflicting political narratives or stories'.

Michel Foucault, a prominent post-modernist thinker, asserts that there is no meta-discourse of power, which can be overturned. As power has no beginning or end, it resides merely in the will to power. Foucault provides a theory of piecemeal resistance to the state but no theory of how a desired state came into being. A post-modern state logically is one that allows several viewpoints-political and otherwise, to exist. In other words, in such a state, an overarching grand political/non-political perspective cannot exist. It has been observed that if the statists concentrate on the state at the expense of society, the Foucauldian perspective affected by the work of Michel Foucault concentrates its attention on society at the expense of the state (Chandhoke, *op. cit.*).

CONTEMPORARY STATE AND GLOBALIZATION

The state, as we have seen, has been classically liberal, welfare, socialist; and what many now call the retreating, withdrawing or even the minimal state. These differing visages have definitely added to the complexity of defining a state. The state today is the focus of great attention. It is at the centre of considerable intellectual debate and social activism. This is because of what has now universally come to be known as globalization.

The 1980s and 90s witnessed, particularly in the USA and the UK, a determined assault on the state by governments inspired by New Right priorities and beliefs. This led to a rolling back of the state. Even the post-communist countries have enthusiastically adopted the policies of disinvestment, privatization and market

reforms. The role of the state, therefore, needs to be examined from the globalization perspective.

Globalization is a term that is not amenable to a clear-cut definition. As has been commented, 'few terms have been stretched as far or proved to be as infinitely extendable as the word globalization' (Mattelart, 2000). Ali Farazmand (1999) has summarized as many as six meanings of globalization that are currently in vogue. Thus, one can understand globalization as: (i) internationalization, (ii) border openness, (iii) a process, (iv) ideology, (v) a phenomenon, and (iv) both a transcending phenomenon and a process.

To quote Farazmand, 'The notion of internationalization treats globalization in a narrow sense as an increase in cross-border relations among organizations, that is identities and communities that extend beyond national jurisdictional boundaries'. However, in this sense, globalization is not anything new as 'international trade and other aspects of economic and political relations began to grow among nations centuries ago'. In fact, as Farazmand says 'the field of international relations is an outgrowth of such a development'. He reaffirms that in this sense, globalization means 'large-scale openness of borders achieved by removing state regulatory barriers and protectionist measures, thus facilitating rapid financial transactions, communications, trade and cultural relationships'. He believes that 'such a borderless world should be characterized by a unified global economy, global government, homogenous global culture, and by implication, a global system of public administration'.

The view of globalization, which is based on the political economy perspective, looks upon it not as a phenomenon, but as a process—a continuing process of capital accumulation in modern capitalism that has been going on for centuries. In this framework, one has in mind the 'ideological underpinning of Western Capitalist democracy that has acted as a driving force behind the globalization of American and Western European liberal democracy'. The key components of this ideological slant are freedom, individualism, free enterprise and plural democracy. The perspective of globalization as a phenomenon treats globalization 'as a cause of world capitalism's endless effort to reach global markets for accelerated accumulation of capital during the stagnant era of the 1970s' (ibid.).

Ali Farazmand also views globalization as both a transcending phenomenon and a process. In this perspective, globalization is looked upon as 'a process of expansion into new frontiers and opportunities for increasing capital accumulation at the global level'. This view of globalization also looks upon it 'as a phenomenon caused by the process of global capital accumulation, a phenomenon that has manifested its negative and positive effects almost everywhere'. It is interesting to note that Farazmand finds nothing new or novel about any of the meanings except the one that treats globalization as both a

transcending phenomenon and a process (*ibid.*). Irrespective of different views, it would perhaps be safe as well as appropriate to say that globalization is really a grand and complex mix of all viewpoints.

A good working definition of globalization would be: 'Globalization, as the term indicates, means that there is a trend towards the world community sharing in some values, beliefs and practices together, unimpeded by participating nation state's peculiarities' (Nayak, 2003). This statement clearly indicates that globalization does not merely have an economic dimension. It is socio-political as well in its import. Thus, an emphasis on human rights and liberal western democracy are supposed to be a part of globalization. As we have seen, Farazmand also talks along these lines while considering globalization as an ideology.

At the level of the common mindset, globalization is perceived as the spread of liberalization on a universal scale with liberalization essentially meaning the process of freeing the economy from state control. In other words, the economy operates as per the market forces and not as per rules/regulations laid down by the state. Now, the big question is: how and where does the state figure in the backdrop of globalization? As a consequence of globalization and indeed, according to an increasingly accepted view, as a precondition, the state has been withdrawing/retreating/abstaining from many sectors of the economy. A liberalizing state is focusing on the core areas such as defence and foreign affairs leaving other areas open to private players, both domestic and foreign. It is encouraging more and more of private initiative. At the same time, precisely because the state is retreating, private enterprises as well as the non-state actors such as voluntary agencies, self-help groups and community-based organizations are automatically getting emboldened to explore new and different avenues of the economy.

An interesting offshoot of a liberalizing state has been the churning in the bureaucracy. When states cutting across ideological boundaries first liberalized, a good many bureaucrats felt uneasy and were openly hostile to new policy measures towards what are now popularly known as Economic Reforms/SAP. This was obviously because they perceived that with the state withdrawing more and more from civic affairs, the quantum of power wielded by them as well as their exaggerated sense of self-importance would suffer a setback. This indeed has happened though one is not too sure if the civil servants' bloated sense of self-importance has actually come down.

However, it cannot be denied that quite a few civil servants have in the wake of globalization become facilitators of development. This is an encouraging trend. In India, the media in the last five years or so have covered several lead stories on the personal initiatives and dynamism of government officials in making civil administration more citizen friendly. Their initiatives in the field of e-governance have

been especially noteworthy. On balance though, the record of the bureaucracy in India at least is a mixed one. This is, of course, assuming that globalization is a positive development. This speculation, naturally and inevitably, leads one to assessing the role/ position of the state today.

CONCLUDING OBSERVATIONS

In the light of what has been covered in this chapter so far, two related issues should command our attention: (i) what does one make of the role/status/position of the contemporary state? and (ii) in what direction should the present day state move? It goes without saying that a lot of agonized thinking has taken place, especially among leftist intellectuals and activists on the supposed decline of the state in the aftermath of globalization. More than a decade ago, the late Rajiv Gandhi's first steps towards liberalizing state controls over the economy were met with a fierce resistance from left-oriented unions and others (Kohli, 1999). Since then, of course, much water has flown under the bridge not only in India but even in one of the few remaining communist bastions like the People's Republic of China. However, there have been many 'other' voices suggesting that the state has not declined and/or should not decline.

Thus, 'by taking to the streets in the 1990s to protest against the role of the market, new social movements on a worldwide scale revealed the harshness of the notion of globalization that was coming dangerously close to achieving a consensus'. Similarly, 'like it or not, the territory of the nation-state remains the place where the social contract is defined. It has by no means reached the degree of obsolescence suggested by the crusade in favour of *deterritorialization* through networks; despite all the talk that revitalizes the position of the nation-states, negotiations between states continue to be necessary as a counterforce to the deviations of ultra-liberalism. One of the tasks of organized civil society is indeed to ensure that the state is not robbed of its regulatory function' (Mattelart, *op. cit.*). As has been commented, 'the evolution of the modern state systems in the western countries is intimately linked with evolution of the capitalist societies and the role of the state has been changing in response to the changing social requirements of capitalist development' (Bhambhri, 1994).

The World Bank Report on 'Challenge of Development' (1991) has reasserted that interaction between governments and markets is the central issue in development, which should be market friendly. Competitive markets are the best way yet found for efficiently organizing production and distribution of goods and services. But markets cannot operate in a vacuum. They require a legal and regulatory framework that only governments can provide. Governments must

invest in infrastructure and provide essential services to the poor. It is not a question of state or market; each has a large and irreplace- able role (Bhattacharya, 1997). The subsequent reports of the World Bank, however, have reemphasized the need to roll back the state vehemently leaving aside the sectors that are capable of producing social capital.

Coming to the question of the direction(s) in which the present day state should move, it could be stated that it should strive for an ideal mix of interventionist efforts in the core/non-core sectors of a national economy. It should maintain a vital presence in the economy's fundamental areas and simultaneously, encourage private enterprise in the non-fundamental areas. The state should actively collaborate with the NGOs and other components of civil society in this regard. Some scholars have called this as 'opposing globalization from the top and encouraging it from below'. An illustration of globalization from the top is 'the type of economic integration taking place under pressure from the World Bank and the IMF'. Globali- zation from below, on the other hand, refers to people's active participation at the local or grassroots level in areas such as women's empowerment, education for all, human rights including the rights of the poor, consumer rights, environmental protection, democracy, decentralization; and individual citizen's participation. All these would necessarily 'entail lessening of state intervention and increasing the role of people's organizations' (Nayak, *op. cit.*).

Without accepting the view that all politics has become global, several significant changes can be noted in political power and authority. These changes are due to technological advances in com- munications and the policy changes, as governments and other actors reconceive their interests and their legitimate realm of authority. In the first place, 'global issues' have emerged, which require states to coordinate policy making at levels above the nation-state. Likewise, economic globalization requires new forms of regulation. It is not only governments that are interacting horizontally, a multitude of non- state actors are interacting, in a similar way. Finally, globalization is inducing not just a shift in decision-making upward towards regional and international forums, but at the sametime a shift downwards to sub-national fora (Woods, 2000).

In the specific context of globalization, the World Bank Report on 'Governance and Development' (1992) carries useful recommendations for developing societies and contemporary states:

- Ensuring political accountability of leaders and the official- dom through periodic elections, limiting tenure
- Establishing a stable, non-discriminatory legal framework
- Bureaucratic accountability through transparency/other measures

- Freedom of association and participation for setting up voluntary organizations to exert pressure on the state. Here, the role played by the media is crucial
- Guaranteeing freedom of information
- Effective and efficient public sector management.

The complexion of the state has been this changing, though in terms of the constituent elements it has remained unchanged. Today, the context of globalization presents both new challenges and opportunities for the state. It has to rise to the occasion, and the contemporary citizen should be a collaborator in a positive sense in meeting the new millennium's challenges and opportunities. It could be viewed that while ensuring that the state is not deprived of its regulatory function, it is not such a bad idea if the state withdraws or at least, substantively withdraws from the non-essential sectors of the economy. It should, however, continue to maintain a visible presence in the economy's core areas. For example, it would be very irresponsible of the state to give away the sectors of education, health, social services totally to the private enterprise and non-state organizations. It has to be remembered that the changing globalization context has also witnessed the rise of grassroots and collective social endeavours in the areas of environmental conservation, management of natural resources, gender equality, sustainable livelihoods and upliftment of the marginalized. To reiterate the often repeated panacea, the state has to strive towards development with a human face to realize the goals of equality and social justice. The phrase may sound clichéd, but it assigns additional responsibility on the shoulders of the state in the globalization scenario.

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8

Changing Trends in Public Administration: The Globalization Context

— Mohammad Mohabbat Khan

Globalization is now a widely used term. One of the reasons for conflicting views on globalization is because there is no universally accepted definition of the term. It has assumed a multi-dimensional character encompassing economic, social, political and cultural activities. There is an urgent need to discuss the impact of globalization on public administration and the response of public administration to the recent trends. The concept of globalization, in the literature has been generally depicted as an irresistible new force that will either wreck or save the planet (Lindsey, 2002). Some have equated globalization with qualitative changes that a new civilization is bringing (Farazmand, 1999). Others have dismissed globalization as a fad (Chase-Dunn, 1994); a fashionable concept in majority of the social sciences, a core dictum in the prescriptions of management gurus and a catch-phrase for journalists and politicians of all types (Hirst and Thompson, 1999). Globalization incorporates a bundle of different economic, technological, political and ecological processes (Vayrynen, 1999).

Keeping this perspective in mind, the UN document (2001) defines globalization as 'increased and intensified flows between countries. These flows are of goods, services, capital, ideas, information and people, which produce national cross-border integration of a number of economic, social and cultural activities'. This definition, among other things, point to a world where the role of the state in general has come under vigilant scrutiny. The viability of the state in its present shape has been questioned. The focus has been more and more on a modified concept of sovereignty in an era of 'borderless world' (Ohame, 1990). States are perceived by some as

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local authorities of the global system. Coming into prominence of multinational corporations, the international and multilateral organizations as well as the non-governmental organizations have considerably reduced the sphere of influence of nation-states in global forums, regional meetings and local level interactions. The state's claim to extensive control of its territory has also been reduced by international markets and new information technology (Hirst and Thompson, *op. cit.*). What concerns public administration is that globalization has tremendously affected its nature in almost all countries of the world.

Ali Farazmand (1991) has recently attempted to relate public administration with globalization by examining the various meanings of the latter. He has viewed globalization in six different yet inter-related ways as internationalization, border openness, process, ideology and as both, a transcending phenomenon and a process. Internationalization indicates 'an increase in cross-border relations among organizations that extend beyond national jurisdictional boundaries'. Border openness means 'large-scale openness of borders achieved by removing state regulatory barriers and protectionist measures to facilitate rapid financial transactions, communications, trade and cultural relationships'.

According to Farazmand, globalization is also a continuous process of capital accumulation. The key tenets of Western liberal democracy like freedom, individualism, free enterprise and pluralism are indistinguishable from globalization as these form its 'guiding force'. Globalization is also viewed as a phenomenon linked to 'world capitalism's endless efforts to reach global markets for accelerated accumulation of capital'. Globalization, both as a transcending pheno-menon and a process considers it 'as a process of accumulation by global capitalism, a constant process of expansion into new frontiers and opportunities for increasing capital accumulation at the global level'.

IMPACT OF GLOBALIZATION ON PUBLIC ADMINISTRATION

Globalization and its impact on public administration has been differently portrayed in the literature covering wide range of areas. Hence, focus of viewers has also varied considerably depending on their perception. Two central themes occur repeatedly. *First*, that 'an effective state is vital for the provision of goods and services; and the rules and institutions that allow markets to flourish and people to lead healthier, happier lives' (World Bank, 1997). *Second*, within the framework of the state, public administration will continue to exist albeit in a different form.

Global pressures are increasingly changing the character of the state and the nature of public administration. Three major global pressures namely information technology, global institutions; and efficiency and productivity are of particular importance (Welch and Wong, 1998). Information technology enables public administration to work efficiently and effectively by enhancing its capacity to reorganize and restructure by affecting speed and direction of information flow. So information can be shared by a wide range of individuals, groups and institutions to everybody's mutual benefit. Besides access, economy can be attained in supplying important information to inquisitive and demanding citizens. Pressure of global institutions means impact of these formalized and powerful bodies on policies undertaken by individual countries.

Efficiency and productivity are two areas where considerable changes have resulted due to constant pressures of globalization. Public sector organizations are now under worldwide pressure to enhance their productivity by increasing efficiency. Along with cutting down waste and increasing output, the public bureaucracies are trying to simultaneously facilitate better delivery of services. Prescriptions for streamlining, downsizing, privatizing and new way of managing are the results of making public sector organizations receptive to global pressures in a resource-scarce world.

There is an emerging consensus that though the state is still central in many countries in promoting economic and social development, it must not continue to play the role of a universal provider. Rather, it should assume a new role of a partner, catalyst and facilitator. This fundamental rethinking on the role of the state has been necessitated by its failure to provide basic and minimum services in many developing countries. Globalization 'has led to the development of new roles, relationships, and partnerships among government, citizens and business and has heightened the influence of the public on governance policies and institutions' (UN, 2000).

A two-pronged strategy has been suggested to make every state a more credible and effective partner in its development. The first strategy calls for matching the state's role to its capacity. The second strategy emphasizes raising the state's capability by reinvigorating public institutions. The success of the first strategy will depend on initiating collective actions efficiently in core public sector areas including law and order, health and infrastructure; and meeting demands of citizens for essential goods and services. So the state should focus on four fundamental tasks: (1) establishing a strong foundation of law (2) maintaining a non-distortionary policy (3) investing in basic social services and infrastructure, and (4) protecting the vulnerable people and environment. The second strategy's successful effectuation will require undertaking of a number of actions. These include designing effective rules and necessary

restraints, checking arbitrary actions, combating corruption, subjecting state institutions to greater competition, enhancing the performance of state institutions, improving the efficiency level of public sector employees and their pays and incentives, and bringing government closer to the people through broader participation and decentralization (World Bank, *op. cit.*).

The message is clear. The state is not in a position to do everything on its own. Markets, governments and third sector organizations, i.e. non-governmental organizations (NGOs) and community-based organizations (CBOs) must perform their designated responsibilities. States are expected to build institutional set ups so that the private sector is encouraged to invest. Rules and policies must be in place and need to be applied in a consistent manner on a regular basis. The demanding job for the state is to ensure that benefits of policy outcomes reach the poor and result in lessening poverty and inequality so that the fruits of growth can be shared by all strata of the population. This is possible if adequate investment is made in basic education and primary health care.

Globalization is challenging the very basis of some of the long-cherished goals and traditions of public administration. The utility of maintaining secrecy, except in case where it involves national security in official transactions, has come under serious scrutiny. Keeping citizens in the dark about policy formulation and policy execution is no longer accepted without raising questions. Giving undue advantage to disadvantaged segments to enter into the public sector jobs is no longer considered the moral responsibility of the state. Public servants are not expected to serve efficiently with low pay and minimal pay increase at the end of the year. Career progression is neither automatic nor premised on mere seniority. Corruption is no longer tolerated by terming it culture-specific. Poor service delivery is not being justified under any pretext, be it human or financial.

RESPONSE OF PUBLIC ADMINISTRATION TO GLOBALIZATION

Responding to challenges posed by globalization has not been an easy issue for public administration. A number of strategies have been adopted by scholars and practitioners to cope with the pressures of globalization. Sometimes these strategies appear to be overlapping and numerous. But these need to be understood in terms of the paradigm shift that is slowly but surely taking place; tending to change the nature and character of public administration. The barrage of criticisms and accusations leveled against public administration has seriously undermined its credibility as a profession and practice.

Coping with pressures of globalization has been rather tedious. The prescriptions for change are based on redesigning the state as

well as reinvigorating public administration. Redesigning the state has meant continuously chipping away its functions and responsibilities. Naturally, four common targets of any reform and reorganization are usually seen. These are: privatization and deregulation, establishing market like mechanisms, decentralization, and debureaucratization (UN, 2001). All these targets are intended to create a competitive public administration premised on managerialism. Some of the responses have been of significant import:

The NPM Initiative

The basic tenets of managerialism or New Public Management (NPM) have already been accepted and implemented in many developed countries including the USA, UK, Australia and New Zealand. The NPM, which has been termed 'as the acceptable face of New Right theory concerning the states and providing a label under which private sector disciplines can be introduced to the public services, political control strengthened, budgets trimmed, professional autonomy reduced, public service unions weakened and a quasi-competitive framework erected to flush out the *internal* inefficiencies of bureaucracy' (Pollitt, 1993).

Though many approaches are available, NPM has had the most significant impact on reshaping public administration to cope with the challenges of globalization. The NPM has been greatly influenced by the four targets of state reforms. It has developed certain catchy phrases and principles and influenced the fundamental premises of reinventing government over the years.

Four major aspects of NPM are:

- A much bolder and larger scale use of market like mechanisms for those parts of the public sector that could not be transferred directly into private ownership;
- Intensified organizational and spatial decentralization of the management and production of services;
- A constant rhetorical emphasis on the need to improve service quality; and
- An equally relentless insistence that greater attention has to be given to the wishes of the individual service user/customer (*ibid.*).

The basic principles for reinventing government are: steering rather than rowing; empowering rather than serving; injecting competition into the service delivery; transforming rule-driven organizations; funding outcomes; meeting needs of the customers, not the bureaucracy; earning rather than spending; from hierarchy to participation and team work; and leveraging change through the market (Osborne and Gaebler (1992), Shafritz and Russell (2000)).

The influence of NPM and reinventing government has been quite significant. The extent of this influence can be seen in the emergence and acceptance of several new terms in public administration literature and practice, which have earned a prominent place in the agenda of public sector reformers who are in favour of good governance. The policies of developed and developing countries are being increasingly influenced by NPM and reinventing government prescriptions. One of the direct outcomes of the impact of NPM and reinventing government initiatives is that the role of public administration has been propelled to undergo significant transformation in many developed and developing countries. Consequently, responsibilities of public administration as well as those of the executive branch of the government are being confined to facilitating, leading and catalyzing changes to achieve more with limited financial resources and fewer personnel. Many clear and unambiguous influences of both NPM and reinventing government can be discerned in the public sector. Public administration now has to boldly address several issues that are surely going to bring about changes in its functions.

A public administrator is now viewed by many as an entrepreneurial manager whose job is to attain cost-effectiveness. So he/she must have the necessary flexibility and freedom of action not found in the strictly traditional hierarchical systems. Cost-effectiveness cannot be achieved without emphasis on results and focus on performance measurement, monitoring and evaluation. Cost-reduction entails that public sector will only perform those activities that it is specially required to do. Withdrawal of government from many activities will require more private sector involvement and utilization of such methods as privatization and outsourcing. Narrowing of scope of operations will enable public sector to focus more clearly on core tasks and develop competencies in these. Street-level public administrator's decision-making role has been emphasized so that he/she can serve the clientele better.

Empowering citizens has been a key component of recent reform wave surrounding public administration. It has been argued that citizens have been largely denied access to quality services due to the existence of cumbersome bureaucratic rules and regulations (Frederickson, 1996). In recent years, new responsibility mechanisms have been put in place by which public administrators have 'direct responsibility for their conduct'. This new responsibility entails that 'a whole new range of mechanisms have come into force to review and correct decisions of public administrators. This newly emerging doctrine of administrative responsibility goes well beyond the bounds of public administration to the broad field of governance' (Spigelman, 1999).

The recent thinking revolves around the fact that the business

principles need to be introduced and effectively adhered to in conducting public business. This particular line of thinking is 'concerned with the economics rather than the politics of service provision, emphasizes government failure rather than the market failure, and is skeptical about the capacity of bureaucracy to provide services efficiently and effectively' (Boyne, 1996). It has been stated by NPM and reinventing government advocates 'that government should not only adopt the techniques of business administration but also adopt the values of business' (DeLeon and Denhardt, 2000).

Another disturbing trend pertaining to public administration is the rejection of core concepts like public spirit and public service by the supporters of public choice (Kamensky, 1996). The consequences of such a situation are indeed serious. Adherence to this particular thinking has on the one hand led to major reforms in some developed countries including New Zealand, UK and USA where political advice was separated from policy implementation and on the other, it has led to altering the purposes of civil service profession (UN, 2001).

Promoting and sustaining professional ethics among public administrators continues to be a key concern of NPM advocates. There have been attempts to fundamentally transform the style of public management to put the people first as valued customers. For this to happen, public administrators need to be more focused to achieve results and be entrepreneurial in their style of operation. The UK government has adopted a strategy in this line that compels public officials to make a number of commitments. These include developing policies to deliver results that matter; delivering efficient and high quality public services to meet the needs of citizens; using new technology to cater to the needs of citizens and business; and valuing public service (Caiden, 2000).

In the area of performance management, the past decade has witnessed significant changes in the public sector in some highly developed countries. In the UK, performance management and inspection system has been overhauled and is now based on four principles. These are: encourage the systems approach; assess what is being delivered; intervene in inverse proportion to success; and use the right information at the right level (ibid.). All these principles are intended to focus upon assessing improvements and value for money of a whole system; keep a tight rein on the management of resources; give greater freedom to innovate where needed; and encourage managers to use performance measures to monitor and improve their organizations.

In Canada, strong policy capacity and non-partisan professionalism are considered the prerequisites for quality performance and quality service delivery (UN, 2001). New Zealand's approach to reform, on the other hand, a morally radical one and based on NPM prescriptions, has delinked service delivery from policy advice,

employing non-tenured executives on a fixed term with scope for retention, performance contracting and annual purchase agreements (Davis, Sullivan, and Yeatman, 1997). 'In the USA, standard-setting, benchmarking and emphasis on measuring, monitoring and evaluating performance have been developed majorly during the past decade' (UN, 2001). There is thus a need to focus on reforms and innovations initiated by different countries across the world for a comprehensive assessment. Generally speaking, the changes in the countries concerned are fundamentally altering existent public administration systems.

Quality Service Delivery

Service Quality Initiatives (SQIs) are now common features in all Organization for Economic Cooperation and Development (OECD) countries as well as the countries in Asia. The focus of SQIs has assumed prominence because of: resource or budget pressures; focus on improving service quality as a means of reducing costs or doing more with less; and a more demanding public that wants better services and greater say in what services are provided. The reasons could also relate to the recognition that a more responsive, innovative and efficient public sector will enhance overall economic performance; apply pressure to enhance the legitimacy and transparency of government through specification of individual citizen's entitlements to services and increasing the quality of access to services; usher in new technological possibilities to improve service quality and changes in management theory in the private sector, which would be as relevant to and transferable to public sector management (OECD, 1996).

In Malaysia, to maintain quality of services, a number of measures including Total Quality Management (TQM), counter services and citizens' charters have already been implemented (Khan, 1998b). These measures are intended to provide customers with fast, accurate and courteous services on a regular basis. In Singapore, several initiatives have been launched over the years to maintain a high standard of quality service. In recent years, the 'PS 21' has been the core in providing high quality services. A directory of public services, counter allowance, a personal training road map, and setting of service standards have all contributed towards achieving Singapore's goal of quality service delivery (Khan, 1998a).

In Greece, a number of actions have been taken up to improve quality of services to serve the people better. These include: simplifying administrative procedures; giving legal weight to electronic communication; and establishing charters of citizens' rights (Khan, 2000). The French government's Ministry of Infrastructure has instructed each of its local offices to create a customer relations function to develop, promote and coordinate measures to improve responsiveness to the users.

The Government of Denmark has initiated a number of measures to develop quality management in the public sector. One of the outcomes of such efforts has resulted in the formation of an Evaluation Committee for Public Sector Quality Award (*ibid.*). The Government of the UK has created a Performance and Innovation Unit (PIU). The PIU aims to improve the effectiveness of the government, in the implementation of service delivery mechanisms by working with departments and others on cross-cutting and innovative projects (Focus, 1999).

In Norway, a User Orientation Programme has been established to improve user orientation and level of service. Under this programme, each agency is responsible for obtaining feedback from users on service quality, setting and publishing quality standards and ensuring that the service level is constantly improved (Focus, 1998). Canada has instituted a one-stop access to information and services (Kaul, 1998).

Enhancing ICT Use

It has been suggested that the 'introduction of information and communication technology applications (ICTs) through their control, surveillance, communications and knowledge management potential are revolutionizing the internal workings and external relationships of public administration' (Snellen, 2002). The revolutionary effects of ICT can be seen in many countries. Developed as well as newly-developed countries are spending heavily on information technology (IT). The USA and Canada are investing exorbitant sums on computer related upgrades and new purchases.

In both Canada and the USA, the Internet has proved to be extremely popular and useful for electronic service delivery. Downloading information regarding various activities of governments has now become a regular and frequent occurrence. Websites are posted with more and more information. Citizens can now pay their taxes, register their vehicles and receive licenses and permits through the Internet. Interest in e-government has gone up in the UK in recent years, especially with the introduction of the UK Online in the latter part of the year 2000. The UK Online Portal offers even at this early stage a high profile and convenient electronic route into all public services. Once fully operational, 'it should provide access to a wide range of information and services that will be available through several different channels, including information kiosks, call-centres, PCs, digital TV and 3G phones' (Bellamy, 2002).

Norway had launched a three year action plan between 1999–2001 to strengthen e-government in that country. Some of the important priority areas include: establishing a coherent national IT infrastructure for the public service; providing information services on the Internet; focusing on electronic data interchange; setting up

electronic commerce for public procurement; and facilitating electronic administrative procedures (Focus, 1999). In Italy, a unified electronic network has been set up for government operations. This will create efficiency gains and reduce burdens on citizens and companies (Focus, 1998).

The Singapore government now has its own Website. Many services are now provided by the Internet. Malaysia has also made inroads into IT arena enabling its citizens' services through Internet. The Indian government has undertaken a number of policy initiatives to introduce e-governance at all levels, federal, state and local. Introduction of e-governance has brought significant changes in the citizen-administration relations in the arena of service delivery in terms of higher speed, greater access, less cost and less public harassment. Japan revised its basic plan for promoting administrative information in late 1997 to utilize advanced information technologies to respond to people's needs more effectively.

Public-Private Exchange and Interaction

In many countries public-private sector exchange and interaction is now a familiar concept. In the UK, interchange schemes between two sectors have existed for some years now. Secondments and joint training programmes have enriched personnel development and enabled the personnel in both sectors to respond to common challenges in such areas as project management and customer service (Focus, 1997).

In Australia and New Zealand, 'marketization has been accepted as having general application to all parts of the public sector' (Halligan, 1997). In both these countries, contractualism, competition and contestability are now familiar mechanisms that reduce the scope of public sector and increase dependence on the private (Khan, 2002). In New Zealand, state-owned enterprises (SOEs) are expected to perform like corporations and 'demonstrate comparable performance in terms of efficiency and productivity'. In Australia, the government has opted for the private sector model by going for a deregulated personnel system; restricting public service to policy development, implementing legislation and oversight of service delivery; and contestability of delivery of services with increasing utilization of private business (Halligan, *op. cit.*). In Hong Kong, reforms have led to privatization of a number of government services, contracting out on a wider scale, promotion of divestiture and transformation of civil servants from administrators to better managers (Cheung, 1996).

In Malaysia, the Malaysia Incorporated Policy (MIP) is based on the philosophy of close cooperation, collaboration and joint action between government and industry (Commonwealth Secretariat, 1995). In Singapore, members of the elite administrative service are attached to private companies to enable them to get a clear picture of the

working conditions in the private sector as well as to understand how government rules and regulations affect the private sector (Khan, 1998a).

Performance Management

Clear and explicit performance management programmes have been adopted by mid-1990s in many OECD countries and in Australia, New Zealand, UK and USA. The programmes have been put in place to closely focus on and target activities towards desired results. One of the variants of performance management is performance contracts, which are now widely used in OECD countries in order to make administration 'responsive, accountable, and efficient' (Brumby, 1999).

The US Federal government utilizes another variant known as the performance review, to heighten accountability and improve focus on overall objectives (Shafritz and Russell, *op. cit.*). Performance management initiatives have also been implemented in some Asian countries, most notably in Singapore, concentrating on institutional reforms, changes in procedures and attitudes of public employees. All these are intended to raise productivity at a lower cost.

CONCLUDING OBSERVATIONS

Any discussion of public administration in an age of globalization is bound to be extensive and wide-ranging. It is therefore, not possible to deliberate on all aspects of the relationship between public adminis-tration and globalization. However limited the scope of the foregoing discussion, some trends have been clearly discernible. The impact of globalization on public administration is distinctly clear. The nature and extent of such an impact although has not been the same for all the countries. Developed countries as against the developing ones have been able to reap umpteen benefits from globalization.

The concepts and mechanisms that have come up as a result of globalization have originated in developed countries and are more suited to their social, political, economic and cultural milieu. These concepts and mechanisms like NPM and reinventing government, which are based on Western precepts face problems of implementation even in modified forms in vastly different non-Western contexts. The economic dimension continues to be the most critical element in understanding the effects of globalization on public administration. Privatizing public services; rightsizing the government; attaining and maintaining efficiency, effectiveness and transparency in public service delivery; and ensuring cost-effectiveness along with enhanced productivity are the hallmarks of recent developments that intend to change the way public managers think, act and respond. In this changed scenario, public managers are to be transformed into public

entrepreneurs. They have to be empowered with freedom and flexibility in their actions so that they become capable of delivering in a highly complex and diverse environment.

The outlook and attitudes of public administrators should change so that, they can put all their efforts to satisfy the needs of the citizens, who are perceived as customers. Their voice is important in terms of quality of services delivered. This also means that traditional, hierarchical, rule-bound and technicist approach to public administration is to give way to modern, participatory, people-oriented and competitive systems. Though many key issues like service delivery, information technology and performance management dominate any discussion on globalization and public administration, various ethical issues remain under-emphasized. Recent interest in anti-corruption measures is an exception to this trend. Public sector in many countries has failed to cope with the requirements of globalization due to non-existence of and in many cases non-adherence to ethical code of conduct in public dealings.

The politics-administration interface still remains a hazy area. There could arise several grey areas if the public managers are to be given autonomy, and segments of public sector are to be hived-off to private sector. But again at the end of the day, the politicians in power are to be held responsible for the actions of appointed public servants and private entrepreneurs. Political responsibility in critical areas still remains a thorny issue at the backdrop of public-private exchange and interactions. These issues need to be debated thoroughly in order to utilize the benefits of globalization. The Western administrative concepts have to be clearly comprehended and applied as per the contextual demands. Public administration has to transform, innovate and adapt to these changing trends

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